

Relative Index-numbers for Weekly and Hourly Weighted Average Wage, 30th April, 1914, 31st December, 1914, 1915, 1916 and 1917.*

NOTE.—Weighted Average for the Commonwealth at 30th April, 1914, as base (= 1000).

Date.	Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'with.
MALE WORKERS.								
30th April, 1914.	Weekly Wage ..	1,011	984	955	986	1,128	952	1,000
	Hourly Wage ..	998	950	963	991	1,170	933	1,000
31st Dec., 1914.	Weekly Wage ..	1,019	990	969	988	1,140	956	1,008
	Hourly Wage ..	1,010	990	985	998	1,173	936	1,009
31st Dec., 1915.	Weekly Wage ..	1,044	1,002	986	992	1,149	965	1,023
	Hourly Wage ..	1,039	1,006	1,008	1,001	1,182	946	1,030
31st Dec., 1916.	Weekly Wage ..	1,123	1,067	1,095	1,071	1,182	1,034	1,100
	Hourly Wage ..	1,127	1,074	1,097	1,075	1,206	1,011	1,105
31st Dec., 1917.	Weekly Wage ..	1,168	1,143	1,183	1,144	1,250	1,081	1,164
	Hourly Wage ..	1,162	1,138	1,209	1,145	1,252	1,079	1,164

FEMALE WORKERS.

30th April, 1914.	Weekly Wage ..	984	1,006	980	885	1,373	950	1,000
	Hourly Wage ..	980	1,021	976	881	1,386	920	1,000
31st Dec., 1914.	Weekly Wage ..	987	1,022	996	885	1,373	950	1,008
	Hourly Wage ..	983	1,035	983	881	1,364	929	1,009
31st Dec., 1915.	Weekly Wage ..	1,007	990	990	901	1,376	1,031	1,005
	Hourly Wage ..	1,002	1,005	976	898	1,357	1,011	1,009
31st Dec., 1916.	Weekly Wage ..	1,050	1,047	1,004	915	1,429	1,041	1,047
	Hourly Wage ..	1,044	1,063	991.	916	1,431	1,027	1,048
31st Dec., 1917.	Weekly Wage ..	1,119	1,116	1,120	1,020	1,430	1,045	1,121
	Hourly Wage ..	1,122	1,134	1,122	1,027	1,440	1,029	1,130

* For details as to previous publications see footnote to table on page 80.

SECTION IX.—VARIATIONS IN NOMINAL AND EFFECTIVE WAGES.

1: **General.**—From the beginning of the year 1913, records have been kept of all changes in rates of wage and hours of labour, the number of workers affected, and the methods by which such changes are brought about. The results of these records have been published in the quarterly Labour Bulletins and in Labour Reports Nos. 5, 6, and 7. In order to supplement the results thus obtained, investigations have been made regarding rates of wage in past years with a view to showing their general trend in each State and in various industrial groups. The methods adopted for the collection of the data and computation of the results were explained in Report No. 2 (see pages 23-4), and will not be repeated here. The particulars given in this Section shew variations in nominal wages from year to year in each State and in various industrial groups. Index-numbers are also given shewing variations in effective wages in each State.

The total number of occupations for which particulars are available back to 1891 is 652. In 1913, however, the scope of the investigation was extended, and particulars for that year are available for no fewer than 3948 occupations. The wages on which the index-numbers are based are, in the majority of cases, minimum rates fixed by industrial tribunals, but in some cases, particularly in the earlier years when no minimum rates had been fixed for many trades, either union or predominant rates have been taken.

2. **Weighted Average Nominal Weekly Rate of Wage in each and all States, 30th April, 1914, to 31st December, 1917.**—In the following table the weighted average nominal weekly rate of wage for adult workers (male and female separately), is shown for each State and the Commonwealth, as at 30th April, 1914, and approximately quarterly intervals to the 31st December, 1917 :—

Weighted Average Nominal Weekly Rate of Wage Payable to Adult Workers for a Full Week's Work in each State and Commonwealth, 30th April, 1914, to 31st December, 1917.*

Dates.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wth.
MALES.							
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
30th April, 1914	55 9	54 3	52 8	54 4	62 2	62 6	55 1
30th June, 1914	55 11	54 4	52 10	54 4	62 9	62 7	55 3
30th September, 1914	56 2	54 7	53 4	54 5	62 10	62 8	55 6
31st December, 1914	56 2	54 7	53 5	54 5	62 10	62 8	55 7
31st March, 1915	56 3	54 8	53 4	54 3	63 1	62 9	56 7
30th June, 1915	56 8	54 8	53 4	54 3	63 1	62 9	56 9
30th September, 1915	56 10	54 11	53 8	54 3	63 1	62 9	56 0
31st December, 1915	57 7	55 3	54 4	54 8	63 4	63 3	56 6
31st March, 1916	58 2	56 7	55 1	55 8	63 4	63 9	57 3
30th June, 1916	58 11	57 0	56 5	56 1	63 4	64 4	57 11
30th September, 1916	59 6	57 9	57 11	56 6	63 8	64 9	58 8
31st December, 1916	61 11	58 10	60 4	59 0	65 2	67 0	60 8
31st March, 1917	62 7	60 0	61 2	59 8	65 5	67 6	61 5
30th June, 1917	63 5	61 2	62 4	61 0	66 4	67 7	62 5
30th September, 1917	63 9	62 8	63 5	61 6	67 10	68 6	63 3
31st December, 1917	64 5	63 0	65 3	63 1	68 11	69 7	64 2
FEMALES.							
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
30th April, 1914	26 9	27 4	26 11	24 1	37 4	25 10	27 2
30th June, 1914	26 9	27 4	27 0	24 1	37 4	25 10	27 2
30th September, 1914	26 10	27 9	26 11	24 1	37 4	25 10	27 4
31st December, 1914	26 10	27 9	27 1	24 1	37 4	25 10	27 5
31st March, 1915	26 10	26 11	27 2	24 0	37 5	26 3	27 1
30th June, 1915	27 2	26 11	27 2	24 0	37 5	26 3	27 2
30th September, 1915	27 3	26 11	26 11	24 0	37 5	26 3	27 3
31st December, 1915	27 5	26 11	26 11	24 6	37 5	28 0	27 4
31st March, 1916	27 7	27 11	26 11	24 6	37 5	28 4	27 9
30th June, 1916	27 7	27 11	26 11	24 6	37 5	27 9	27 9
30th September, 1916	27 11	28 2	27 2	24 10	37 5	27 9	28 1
31st December, 1916	28 7	28 5	27 3	24 10	38 10	28 3	28 5
31st March, 1917	29 1	28 10	27 5	25 9	38 10	28 4	28 11
30th June, 1917	29 3	28 10	27 9	27 3	38 10	28 4	29 1
30th September, 1917	30 2	29 7	30 0	27 8	38 10	28 1	30 0
31st December, 1917	30 5	30 4	30 5	27 9	38 10	28 5	30 5

* Details have been published as follows:—To 30th April, 1914 (Labour Report No. 5, pp. 44-6); to 31st December, 1914 (Labour Bulletin No. 8, pp. 256-8); to 31st March, 1915, (Labour Bulletin No. 9, pp. 68-71); to 30th June, 1915 (Labour Bulletin No. 10, pp. 170-6); to 30th September, 1915 (Labour Bulletin No. 11, pp. 264-5); to 31st December, 1915 (Labour Bulletin No. 12, pp. 413-15); to 31st March, 1916 (Labour Bulletin No. 13, pp. 82-3); to 30th June, 1916 (Labour Bulletin No. 14, pp. 190-1); to 30th September, 1916 (Labour Bulletin No. 15, pp. 300-1); to 31st December, 1916 (Labour Report No. 7, pp. 412-426); and to 30th June, 1917 (Labour Bulletin No. 18, pp. 165-168).

(i.) *Adult Male Workers*.—It will be seen that the weighted average nominal weekly rate of wage for adult male workers for the whole Commonwealth advanced during the period reviewed by 9s. 1d. In all the States except Queensland the increase was below the average, being in Victoria and South Australia 8s. 9d., in New South Wales 8s. 8d., in Tasmania 7s. 1d., and in Western Australia 6s. 9d. The increase in Queensland amounts to 12s. 7d. At the 30th April, 1914, the highest average rate of wage was 62s. 2d. in Western Australia, followed in the order named by New South Wales, South Australia, Victoria, Queensland and Tasmania. At the 31st December, 1917, Western Australia had still the highest average rate of wage followed in the order named by Queensland, New South Wales, South Australia, Victoria, and Tasmania.

(ii.) *Adult Female Workers*.—During the period covered by the table the weighted average nominal weekly rate of wage for adult female workers, for the whole Commonwealth, shews considerably less movement, being 3s. 3d. per week only. The greatest increase occurred in New South Wales and South Australia. The decrease of 5d. in Victoria, between the 30th April, 1914, and the end of 1915, was brought about by the reduction, on appeal, of the minimum rates of wage to female clerks and stenographers.

3. Variations in Nominal Wage Index-numbers in Industrial Groups, 1901 to 1917.—The following table shews variations in nominal wage index-numbers, the occupations having been classified in fourteen industrial groups. As already pointed out, these index-numbers are comparable throughout, and shew, not only the variations in wages in each industrial group, but also the relative wages as between the several groups:—

Variations in Nominal Wage Index-numbers in different Industries in the Commonwealth, 1901 to 1917. (Weighted Average Wage for all Groups in 1911 = 1,000.)

Particulars.	No. of occupations included.		1901.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
	1901 to 1912.	1913-16.											
I. Wood, Furniture, etc.	27	270	1,019	1,051	1,055	1,097	1,125	1,144	†1,142	1,161	1,174	1,246	1,238
II. Engineering, Metal Works, etc.	101	636	945	989	985	1,006	1,064	1,104	1,113	1,127	1,174	1,211	1,203
III. Food, Drink, etc.	34	576	871	905	914	928	991	1,033	1,074	1,085	1,127	1,194	1,241.
IV. Clothing, Hats, Boots, etc.	13	124	708	867	935	976	981	990	1,019	1,034	1,037	1,104	1,164
V. Books, Printing, etc.	25	205	996	1,021	1,070	1,102	1,149	1,158	1,234	1,246	1,259	1,323	1,376
VI. Other Manufacturing	102	875	907	915	923	947	1,013	1,037	1,076	1,093	1,125	1,203	1,245
VII. Building	87	190	1,050	1,114	1,130	1,163	1,213	1,245	1,270	1,276	1,285	1,359	1,414
VIII. Mining, Quarries, etc.	71	161	1,067	1,116	1,120	1,168	1,194	1,216	1,270	1,272	1,299	1,420	1,523
IX. Rail & Tram Services	68	224	1,021	1,031	1,064	1,074	1,113	1,164	1,165	1,165	1,187	1,236	1,256
X. Other Land Transport	9	70	795	836	836	859	910	938	996	1,026	1,041	1,128	1,210
XI. Shipping, etc.	74	108	751	787	856	857	871	942	953	972	1,026	1,153	1,194
XII. Agricultural, Pastoral, etc.	8	72	627	736	787	798	830	944	965	965	969	1,073	1,192
XIII. Domestic, Hotels, etc.	17	114	598	626	727	743	887	894	918	935	948	965	1,052
XIV. Miscellaneous	36	233	759	820	843	889	929	1,015	1,045	1,054	1,065	1,137	1,185
All Groups.*	652	3,948	848	900	923	955	1,000	1,051	1,076	1,085	1,102	1,184	1,252

* Weighted average; see graph on page 85 hereof. † The slight decrease in this group was due to a reduction in the award rates in the Furniture Trade in New South Wales, resulting from an appeal made by employers.

4. **Variations in Nominal Wage Index-Numbers in States, 1901 to 1917.**—The following table shews, by means of index-numbers, the variations in wages for all industries in each State, the weighted average wage for the Commonwealth in 1911 being taken as base (= 1000). These results are based generally upon rates of wage prevailing in the capital towns of each State, but in certain industries, such as mining agriculture, etc., rates are necessarily taken for places outside the metropolitan areas:—

Variations in Nominal Wage Index-numbers in different States, 1901 to 1917.
(Weighted Average Wage for Commonwealth in 1911 = 1,000.)

Particulars.	No. of occupations included.		1901.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
	1901 to 1912.	1913-16.												
N.S. Wales..	158	874	858	910	913	942	968	1,003	1,058	1,088	1,066	1,124	1,208	1,257
Victoria ..	150	909	790	857	871	887	924	985	1,038	1,058	1,065	1,078	1,148	1,229
Queensland	87	627	901	914	925	946	960	997	1,010	1,027	1,042	1,060	1,177	1,273
S. Australia	134	567	819	858	868	905	951	1,013	1,048	1,061	1,062	1,067	1,151	1,231
W. Australia	69	439	1,052	1,053	1,061	1,068	1,116	1,152	1,191	1,214	1,226	1,236	1,272	1,345
Tasmania ..	54	482	719	725	725	732	772	799	934	1,025	1,028	1,039	1,112	1,163
C'wealth*	652	3,948	848	893	900	923	955	1,000	1,051	1,076	1,085	1,102	1,184	1,252

* Weighted average; see graph on page 85.

The significance of the above figures since 1906 can be better appreciated by reference to the graph on page 85 which shews, of course, not only variations in wages in each State from year to year, but also the difference in wage-level as between the several States. From this graph it is clearly seen that, excluding Western Australia, the difference between nominal wages in the several States has decreased very considerably since 1906. This difference is shewn at any point by the vertical distance between the graphs. Wages in Queensland have increased since 1914 at a higher rate than in any other State, and the general level in that State is now higher than in New South Wales, Victoria, South Australia, or Tasmania. The graphs for Victoria and South Australia lie very close together throughout the period. In Tasmania the first determination under the Wages Boards Acts, 1910 and 1911, came into force in 1911. Since then wages in that State have increased rapidly, and their general level is now not far below those of the other States, except Western Australia.

5. **Average Nominal Weekly Wage in the Several States, 1891 to 1917.**—The following table shews the average weekly rate of wage payable to adult male workers in each State from 1891 to 1917. The wages given in this table are relatively identical with the index-numbers shewn in the table above.

Average Nominal Rates of Wage Payable to Adult Male Workers in each State from 1891 to 1917.

Particulars.	1891.	1896.	1901.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
N. S. Wales	44	1 42	1 43	1 46	7 46	9 48	3 49	7 51	3 54	3 55	9 56	5 57	7 01	11 04
Victoria	40	5 38	0 40	9 43	11 44	7 45	6 47	4 50	6 53	2 54	3 54	7 55	3 58	10 03
Queensland	46	6 44	8 46	2 46	10 47	4 48	5 49	2 51	1 51	9 52	8 53	5 54	4 60	4 05
S. Australia	41	7 41	8 42	0 43	11 44	0 46	4 48	9 51	11 53	9 54	4 54	5 54	3 59	0 83
W. Australia	52	4 53	7 53	11 53	11 54	4 54	9 57	2 59	0 61	0 62	2 62	10 63	4 65	2 68
Tasmania	33	6 35	6 36	10 37	1 37	1 37	5 39	6 41	0 47	10 52	6 52	8 53	3 57	0 59
C'wealth	43	5 41	10 43	5 45	9 46	1 47	3 48	11 51	3 53	10 55	1 55	7 56	6 60	8 64

The average weekly rate in 1917 was highest in Western Australia, followed in the order named by Queensland, New South Wales, South Australia, Victoria, and Tasmania. In each of the years specified the weekly rates were highest in Western Australia, and lowest in Tasmania. In each of the States of New South Wales, Victoria, and Queensland, the rates shew an increase in each of the years specified except in 1896, when there was a decrease compared with 1891. In South Australia there was an increase in each of the years specified, while in Western Australia the average rates remained constant in 1901, 1906, and 1907, with increases in each other year. In Tasmania there was a decrease in 1896 and again in 1907, and substantial increases in 1912 and 1913.

6. Average Nominal Weekly Wage Payable in Industrial Groups, 1891 to 1917.—The following table shews for each of the years indicated the average weekly wages payable in each of the fourteen industrial groups. The wages are relatively identical with the index numbers shewn in the table on page 81.

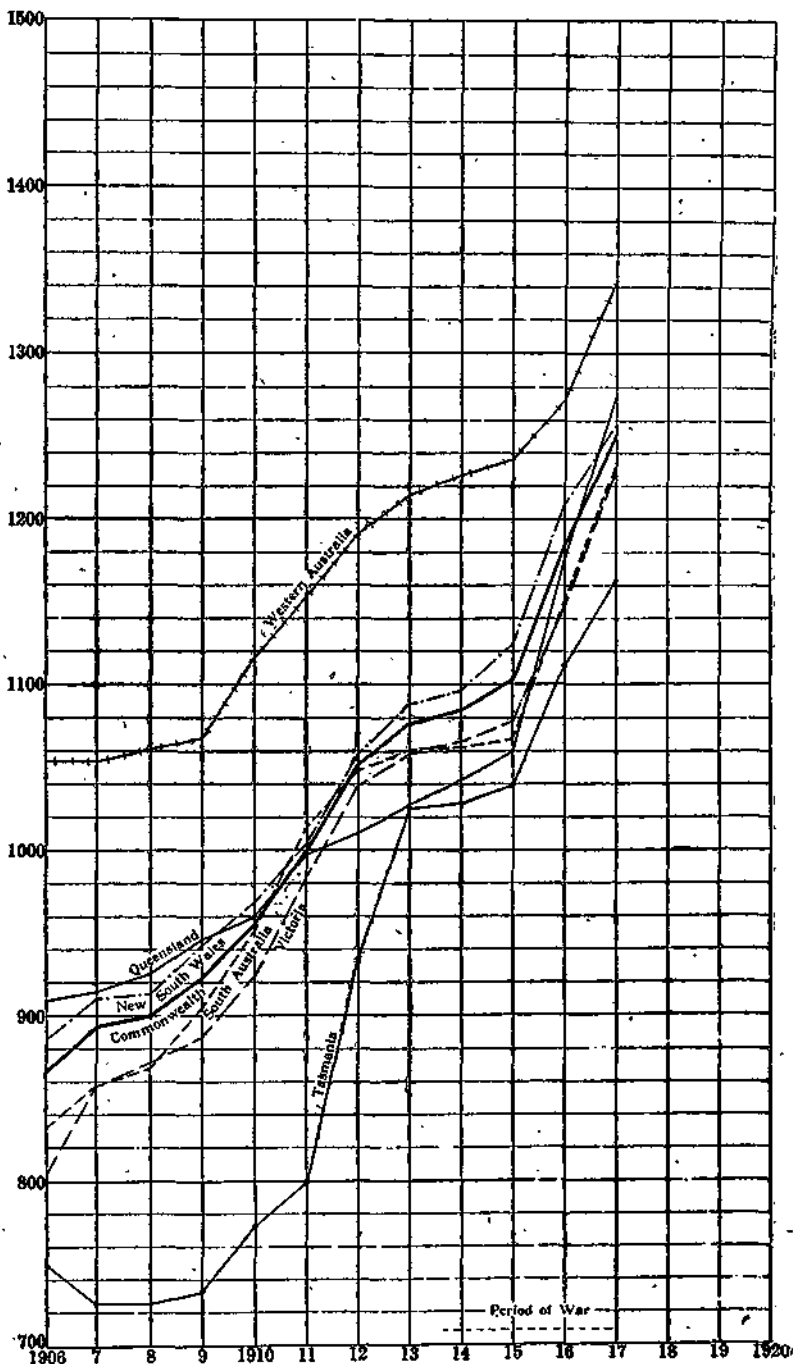
Average Nominal Rate of Wage Payable to Male Adult Workers in each Industrial Group from 1891 to 1917.

Particulars.	1891.	1896.	1901.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Group I.	52	5 48	2 52	3 53	9 53	10 54	1 56	2 57	3 58	7 57	6 59	6 60	2 63	10 66
" II.	47	8 47	7 48	5 49	9 50	8 51	0 51	7 54	0 56	7 57	0 57	9 60	2 62	1 65
" III.	38	2 37	11 44	7 46	3 46	5 46	10 47	6 50	9 53	2 55	0 55	8 57	9 61	2 63
" IV.	36	3 36	5 36	3 43	10 44	5 47	11 50	0 50	3 50	9 52	3 53	0 53	2 56	7 59
" V.	53	5 50	1 51	0 51	9 52	3 54	10 56	6 58	11 60	11 63	3 63	10 64	6 68	1 70
" VI.	46	4 44	8 46	5 46	4 46	10 47	3 48	6 51	11 53	1 55	1 56	0 57	8 61	8 63
" VII.	50	6 47	6 53	10 56	7 57	1 57	11 59	7 62	1 63	10 65	1 65	5 65	10 69	8 72
" VIII.	58	1 53	10 54	8 57	3 57	2 57	5 59	9 61	2 62	4 65	1 65	2 66	7 72	9 74
" IX.	50	10 51	0 52	4 52	7 52	10 54	6 55	0 57	0 59	7 59	3 59	8 60	10 63	4 65
" X.	39	6 36	0 40	9 41	8 42	10 42	10 45	7 46	7 50	10 51	1 52	8 53	4 57	10 62
" XI.	38	2 54	6 38	5 40	4 40	4 43	10 43	11 44	7 48	3 48	10 49	10 52	7 59	1 61
" XII.	34	10 33	6 32	1 37	5 37	8 40	4 40	11 43	0 48	4 40	5 49	5 49	8 55	0 61
" XIII.	32	10 30	6 30	8 31	2 32	1 37	3 38	1 45	5 45	10 47	0 47	11 48	7 51	0 53
" XIV.	39	7 38	7 38	10 41	7 42	0 43	2 45	6 47	7 52	0 53	7 54	0 54	7 56	3 60
ALL GROUPS	43	5 41	10 43	5 45	9 46	1 47	3 48	11 51	3 53	10 55	1 55	7 56	6 60	8 64

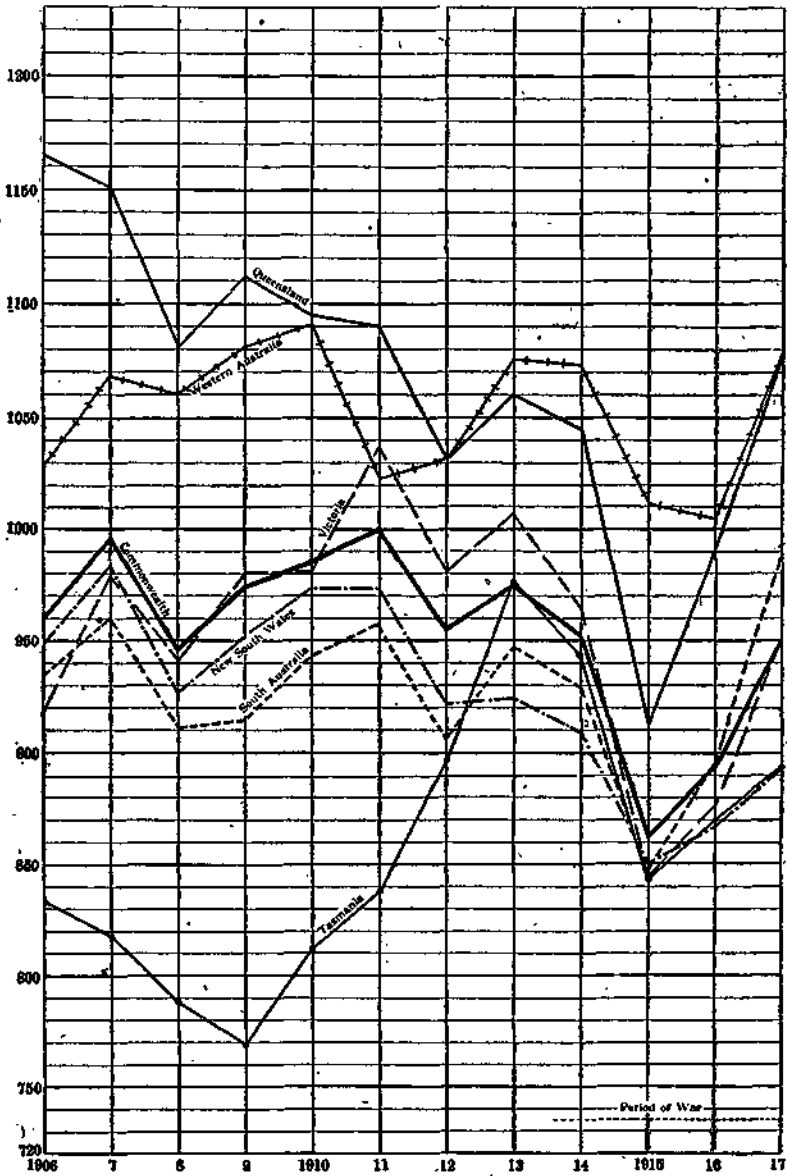
It may be seen that in 1917 the weekly rate of wage was highest in Group VIII. (Mining), 78s. 4d., while the lowest average weekly rate was in Group XIII. (Domestic, Hotels, etc.), where the rate was 53s. 11d. The average weekly rate for all groups together increased in all the years since 1891 except 1896. The rate in 1901 was the same as in 1891 (43s. 5d.), but in 1916 had increased to 60s. 8d., and in 1917 to 64s. 2d.

7. Nominal Wages and Effective Wages.—Wages are said to be *nominal* when they refer to the actual amounts of money received in return for labour, and are described as *effective* when their equivalence in purchasing power is expressed, that is their purchasing power according to some definite "composite unit" or "regimen," the cost of which is ascertained at a particular date or during a particular period adopted as a datum for reference. From what was said in Section IV., par. 3, of Labour Report No. 6, it is obvious that "effectiveness" of wages can be unequivocally ascertained only when changes in price vary normally, that is to say, when it is practicable and reasonable to regard the "composite unit" as continuously applicable. Estimations of the effectiveness of wages when the original regimen or composite unit ceases to be of reasonable application, as may be the case in times of severe drought, war, etc., become of more or less questionable validity. At such times some modification of the accustomed regimen may (or should) take place, and in the degree to which such modification may occur effective wages will become involved in uncertainty. It should, consequently, be borne in mind that index-numbers of effective wages, computed on the supposition of the continual maintenance of a constant regimen cannot be taken to really represent unequivocally the actual effectiveness of wages, they represent rather what *would* have been the effectiveness of wages, had the "composite unit" throughout been virtually the one in use with the wage-earning community. The limitations indicated in Section IV., par. 3, of Labour Report No. 6, already referred to, apply also here. *Fundamental changes in the usage of commodities vitiate this or any other method*, as is obvious from the analysis of the technique for properly ascertaining price-indexes outlined in Report No. 1, Appendix VIII., pp. 23 to 38. Just as there is no unequivocal means of comparing price-indexes, between say a rice-eating and a meat-eating community, or between a community living according to a very elementary standard of comfort, and one living according to a much more advanced standard, so there is in its degree no unequivocal method of computing effectiveness of wages, when the circumstances of the time involve material changes in the "regimen," or are characterised by a temporary passing through abnormal conditions, profoundly affecting the conditions of living.

NOMINAL WAGE INDEX-NUMBERS IN EACH STATE, AND COMMONWEALTH, 1906 TO 1917



EFFECTIVE WAGE INDEX-NUMBERS IN EACH STATE, AND COMMONWEALTH, 1906 to 1917.



8. Variations in Effective Wages in each State, 1901 to 1917.—

In comparing wages two elements are of obvious importance, viz., (i.) hours worked per day or week, etc., and (ii.) the purchasing-power of money (in regard to the composite unit adopted). Thus 60s. per week of 60 hours is equivalent to 48s. per week of 48 hours on the time basis. Similarly, on the purchasing-power basis, if the purchasing-power fall one fifth, i.e., if the index-number of the purchasing-power rises from 1000 to 1250,* then 60s. per week (the index being 1250), is effectively equal only to 48s. (when the index was 1000). Or, again, if the purchasing power rise one third, as is implied by a fall in the index-number from 1000 to 750, then 60s. per week originally would, as regards the composite unit, be equal in purchasing power to 80s. Ignoring altogether for the present the number of hours worked and subject to the limitations referred to in the preceding paragraph, and further assuming that the real value of the average wages is to be measured by their purchasing power in regard to the "composite unit" adopted, then we can reduce the actual average wages paid to their effective value by applying the purchasing-power-of-money index-numbers to the nominal wages index-numbers. The following table shews the effective wage index-numbers in each State for each of the years indicated from 1901 to 1917.

In computing these effective wage index-numbers the nominal wage index-numbers given in paragraph 4 hereof have been divided by the purchasing-power-of-money index-numbers in Section IV., paragraph 5. hereinbefore. The resulting index-numbers shew for each State and for the Commonwealth for the years specified the variations in effective wages.

Variations in Effective Wages in each State and Commonwealth, 1901 to 1917.*

Particulars.	1901.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
N.S.W.	961	983	926	952	973	973	922	924	909	850	867	893
Victoria	915	979	941	980	981	1,037	981	1,007	964	844	877	950
Queensland . . .	1,172	1,151	1,081	1,112	1,095	1,090	1,032	1,060	1,045	912	991	1,078
S. Australia . .	948	960	911	914	943	957	906	947	929	847	896	939
W. Australia . .	1,024	1,068	1,060	1,081	1,091	1,023	1,032	1,078	1,073	1,011	1,005	1,079
Tasmania	827	818	788	769	812	838	896	976	943	843	870	894
Commonwealth . .	964	996	946	974	985	1,000	955	975	952	862	894	950

* As to the effect in abnormal periods, see Section IV., par. 3, of Labour Report No. 6.

The figures in the above table from the year 1906 onwards are shewn in the graph on page 86. A comparison between this graph with that on the opposite page shews that the difference between nominal and effective wages is very marked. In the first place, the whole nature of the graphs is entirely different. Instead of having a series of lines shewing a practically continuous and rapid upward trend, the effective wages shew (except for Tasmania) a series of fluctuating points, in which no very marked tendency is immediately discernible. It will be seen that, generally speaking, the years 1907, 1909, 1910, 1911, 1913, 1916 and 1917, were marked by increases in effective wages, but that in each of the years 1908, 1912, 1914, and 1915, there were rapid decreases. In each of these years in which effective wages declined there was a rapid increase in cost of food and groceries (see graphs on pp. 28-30). In 1914 wages increased 0.9 per cent. but purchasing-power-of-money index-number went up 3.1

* Or from any value to one-fifth greater.

per cent., with the result that effective wages decreased 2.3 per cent. In 1915 the nominal wage index-number increased 1.6 per cent., while the purchasing-power-of-money index-number increased 12.1 per cent., resulting in a decrease of 9.5 per cent. in the effective wage. In 1916 the nominal wage index-number increased 7.4 per cent., and the purchasing-power-of-money index-number only 3.6 per cent., which resulted in the effective wage index-number showing an increase of 3.7 per cent. In 1917 the nominal wage index-number increased 5.7 per cent., and the purchasing-power-of-money index-number decreased 0.5 per cent., resulting in an increase in the effective wage index-number of 6.3 per cent.

One important feature common to both graphs (nominal and effective wages) is the manner in which the graphs for the individual States have, on the whole, approached more closely together. With the adoption of differential rates of wage fixed according to the relative purchasing-power of money, it appears probable that this tendency will continue in the future.

9. Variations in Effective Wages and Standard of Comfort, 1901 to 1917.—In the preceding paragraph particulars are given as to variations in effective wages in each State, due allowance having been made for variations in the purchasing-power of money, though not for unemployment. Attention has also been drawn to the limitations to which they are subject in abnormal times.

If 48 hours per week be the time for which a given wage is paid, say 60s., then for the purpose of estimating the aggregate average earnings, account must be taken of the proportion of time spent in unemployment. For example, if the working days be 300 per year, and the time unemployed be 6 per cent., the actual proportion of working time is 94 per cent., i.e., 18 days are idle in every 300, or 6 per cent. of the period. Similarly if of the employable, an average of only 94 per cent. are employed, the measure of unemployment is again 6 per cent., and the employment index-number is 940, i.e., 940 in 1000, or 94 per cent.

For years prior to 1913 the data available as to unemployment are so meagre that comparative results allowing for variations both in the purchasing-power of money and in unemployment cannot be accurately computed for the several States. In the subjoined table, however, the percentage of unemployment for the whole Commonwealth at the end of the years specified has been used in order to obtain results shewing the variations in unemployment upon effective wages. Column I. shows the nominal rate of wage index-numbers (see paragraph 5 hereof), and Column II. the relative percentages unemployed (see Section III.). Applying these percentages to the numbers shewn in Column I., and deducting the results from each corresponding index-number, so as to allow for relative loss of time, the figures in Column III. are obtained. These figures are then recomputed with the year 1911 as base, and are shewn in Column IV. In Column V. the purchasing-power-of-money index-numbers are shewn, and in Columns VI. and VII. the effective wage index-numbers are given, firstly, for full work, and secondly, allowing for lost time. These are obtained by dividing the figures in Column I. and IV., respectively, by the corresponding figures in Column V. The resulting index-numbers shew for the Commonwealth for the years specified the variations in *effective wages* or in what may be called the "standard of comfort."*

* See footnote on next page.

A comparison between the figures in Columns I. and VI. shews the relation between the nominal rates of wage and the purchasing efficiency of these rates. The figures in Column VII. (see graph on page 90) shew variations in *effective* wages after allowing not only for variations in purchasing-power of money, but also for the relative extent of unemployment.

Unemployment and Nominal and Effective Wage Index-numbers, 1901 to 1917.†

Year.	I. Nominal Wage Index- Numbers.	II. Percentage Unem- ployed.	Rate of Wage Index- Numbers, allowing for Lost Time.		V. Purchas- ing Power of Money Index- Numbers.	Effective Wage Index-Numbers.	
			III. Actual.	IV. Recom- puted. (1911 = 1,000).		VI. Full Work	VII. Allowing for Unemploy- ment.
1901	848	6.6	793	832	880	964	945
1906	866	6.7	808	848	902	960	940
1907	893	5.7	842	884	897	996	986
1908	900	6.0	846	888	951	946	934
1909	923	5.8	870	913	948	974	963
1910	955	5.6	901	945	970	985	974
1911	1,000	4.7	953	1,000	1,000	1,000	1,000
1912	1,051	5.5	993	1,042	1,101	955	946
1913	1,076	5.3	1,021	1,071	1,104	975	970
1914	1,085	11.0	966	1,014	1,140	952	889
1915	1,102	6.8	1,027	1,078	1,278	862	844
1916	1,184	6.7	1,105	1,159	1,324	894	875
1917	1,252	7.4	1,159	1,216	1,318	950	923

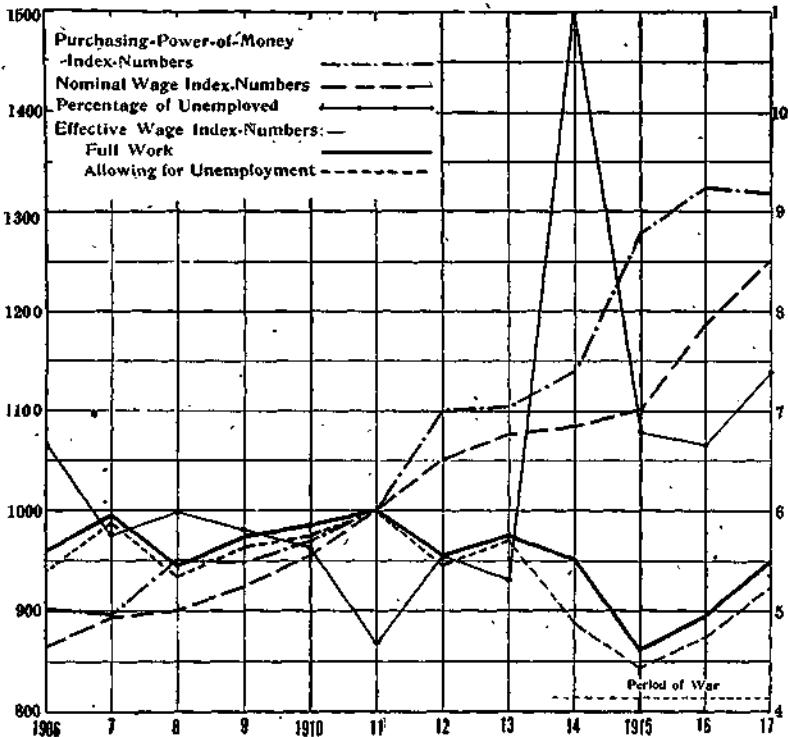
† As to the effect in abnormal periods, see Section IV., par. 3, of Labour Report No. 6.

The above figures for the years 1906 to 1917, inclusive, are shewn in the graph on page 90. It may be seen from the graph that the nominal wage index-number has steadily increased, and that the increase has been at a somewhat greater rate (except in the years 1908, 1912, 1914, and 1915) than the increase in the purchasing-power-of-money index-numbers. Owing to the decreases in these years the effective wage index-numbers (both "Full Work" and "Allowing for Unemployment") do not, on the whole, shew any general increase, but fluctuate between a range which reached its maximum in 1911, and its minimum in 1915. In 1907 there was a large decrease in unemployment, which is reflected in the "peak" in the effective wage index-number for that year. The rise in the purchasing-power-of-money index-number in 1908, which was a drought year, caused a considerable fall in effective wages. From that year, however, until the year 1911, the effective wage index-number steadily increased from 934 to 1000, but this increase was almost counterbalanced by the fall in 1912, which was due to the large increase in the purchasing-power-of-money index-number and the smaller increase in unemployment. In 1913 the purchasing-power-of-money index-number was practically the same as that for 1912, while nominal wages increased and unemployment decreased, with the result that the effective wage index-numbers, both for full work and allowing for unemployment, shew an increase. The effective wage index-numbers for 1914 both shew a decrease since the preceding year. This decrease is particularly marked in the case of the

* This expression must not be confused with "standard of living." A change in the standard of living necessarily involves a change in regimen (see Labour Report No. 1), that is, a change in the nature or in the relative quantity of commodities purchased, or both. A change in the "standard of comfort" merely implies a variation in effective wages, which variation may, or may not, result in, or be accompanied by, a change in the "standard of living."

index-numbers in which allowance is made for unemployment. In 1915 there was a decrease in unemployment when compared with the preceding year, but on the other hand the cost of food and groceries shews a very substantial increase, so that while nominal wages increased slightly, effective wages index-numbers, both for full work and allowing for unemployment, shew a large decrease, and are, in fact, lower than for any other year covered by the investigation. In 1916, and again in 1917, the effective wage index-numbers both for full work and allowing for unemployment shew an increase, due to the fact that the increase in nominal wages index-number has been greater than the increase in the index-number shewing cost of food, groceries, and house rent.

Unemployment, Purchasing-Power of Money, and Nominal and Effective Wage Index-Numbers, 1906 to 1917.



EXPLANATORY NOTE.—Each space in the horizontal scale represents one year. The vertical spaces on the left represent the scale for the index-numbers for purchasing-power of money and wages, while the scale on the right from 4 to 11, represents the percentage of unemployment

10. Relative Productive Activity and Effective Wages, 1871 to 1915.—

The preceding tables refer to the matter of variations in effective wages, having regard to fluctuations in cost of living and extent of unemployment. Another important matter in any investigation into increases

in rates of wages is the question of increase in *relative output* or production per head of population, measured quantitatively. If measured by mere value, increase of price would have the effect of making an equal production with that of a time when prices were lower, and shew an increase which would, of course, be misleading. For example, the annual figures shewing the estimated value of production from the Commonwealth industries do not directly shew whether there has been any increase in the *quantity* produced, since the price-level at the time is itself a factor in the determination of the values. Before, therefore, any estimate of the relative increase or decrease in production (that is, in the relative quantity of output) can be formed, the variations due to the price element must be eliminated. This is done in the following table, in which Column I. shews the estimated *value* of production (a) in the aggregate and (b) per head of mean population. In Column II. the estimated value of production per head of population is shewn in the form of index-numbers with the year 1911 as base, that is to say, the production per head in 1911 is made equal to 1000, and the values for the other years computed accordingly. In Column III. Melbourne wholesale and retail price index-numbers are given; it is assumed that these index-numbers reflect, with substantial accuracy, variations in wholesale and retail prices in the Commonwealth as a whole. The figures in Column IV. are obtained by dividing the figures for each year in Column II. by the corresponding figures in Column III. They shew the estimated relative productive activity per head of population, taking the year 1911 as the basic or standard year, the fluctuations due to variations in prices having been eliminated.

Estimated Relative Productive Activity in Commonwealth, 1891 to 1915.

Year.	I.		II.	III.		IV.
	Estimated Value of Production.		Estimated Value of Production per head Index-Number (1911=1,000.)	(a)	(b)	Estimated Relative Productive Activity Index-Numbers (1911=1,000).
	(a) Total.	(b) Per Head of Population.		Wholesale Price-Index-Number (1911=1,000).	Retail Price-Index-Number Six Capital Cities (1911=1,000).	
1871 ..	£000	£				* †
1871 ..	46,700	27.89	661	1,229	..	536 ..
1881 ..	71,116	31.34	746	1,121	..	664 ..
1891 ..	96,087	30.06	715	945	..	757 ..
1901 ..	114,585	30.23	719	974	880	738 817
1906 ..	147,043	36.21	862	948	906	909 951
1907 ..	167,446	40.61	966	1,021	897	946 1,077
1908 ..	164,957	39.33	936	1,115	951	839 984
1909 ..	174,503	40.82	971	993	948	978 1,024
1910 ..	187,734	43.92	1,045	1,000	970	1,042 1,077
1911 ..	188,745	42.03	1,000	1,000	1,000	1,000 1,000
1912 ..	206,732	44.51	1,059	1,170	1,101	905 962
1913 ..	231,101	45.41	1,080	1,088	1,104	893 978
1914 ..	209,485	42.59	1,013	1,149	1,140	882 889
1915 ..	251,589	50.07	1,191	1,604	1,278	742 932.

* Index-numbers computed by application of Wholesale Price Index-numbers. † Index-numbers computed by application of Retail Price Index-numbers.

These figures shew that the estimated relative productivity per head of population increased by no less than 86 per cent. from 1871 to 1911, and by nearly 33 per cent. from 1891 to 1911. The increase was not uniform during the whole of the years specified; slight decreases occurring in 1901 and 1911, and a heavy fall in 1908, which was a year of severe drought. The figures further shew that there has been a considerable falling-off in productive activity since 1913.

The above table furnishes the necessary indication of variations in productive activity, based on prices corresponding to the time at which the valuations were made, and obviously the prices used should be "wholesale prices." There is, however, some doubt as to how far the weights, or mass units, i.e., relative quantities of the commodities used for the purpose of weighting prices in order to compute price-indexes which refer to the consumption of those commodities in Australia can be legitimately used. The relative quantities produced for export and home consumption combined, that is, for the whole production, probably varies appreciably from the relative quantities (mass units, or weights) used for home consumption, and the price-indexes for wholesale and retail prices may not be the same as price-indexes of the value production, if such could be computed according to the relative quantities of commodities produced.*

Index-numbers of productive activity computed by the application of retail price index-numbers are included in the table for comparative purposes, though obviously retail price variations cannot be applied to correct apparent variations in productivity with the same degree of accuracy as wholesale price index-numbers.

SECTION X.—OPERATIONS UNDER ARBITRATION AND WAGES BOARD ACTS.

1. **General.**—Particulars regarding operations under the Commonwealth Arbitration Acts and the various State Acts for the regulation of wages and hours and conditions of labour, shewing the number of boards authorised, constituted, and in existence and which had or which had not made any award or determination in each State; the number and territorial scope of awards or determinations, and the number of industrial agreements, in force, were first compiled to the 31st December, 1913.‡

These particulars have from time to time been revised, and reviews to the end of approximately quarterly periods have been published in the periodical Labour Bulletins to the 30th June, 1917. Information has also been compiled and included in the later issues of the Labour Bulletin, respecting the estimated number of workpeople affected by awards or determinations and industrial agreements in each State. In addition, a brief quarterly epitome has been given of the number of awards and determinations made and industrial agreements filed

* Further, it should be observed that the variations in wholesale prices may vary considerably even during the course of a year. (See Labour Report No. 6, page 52).

‡ Information as to the main provisions of the various Acts in force was given in "Labour Bulletin" No. 1, pages 57 to 60.