

VII.—PRICES AND COST OF LIVING IN AUSTRALIA AND OTHER COUNTRIES.

1. **General.**—A direct and satisfactory comparison between the actual cost of living in Australia and other countries cannot be made, as the necessary income and expenditure budgets, at any rate on anything like a uniform and adequate basis, are not available. Analyses of the relative cost of living in different countries in order to be of value would have to take into account, among other things, the question of relative wages. It is intended to include information on this latter question, *viz.*, wages in different countries, in a further Report dealing with Rates of Wages, Hours of Labour, etc., to be issued by this Bureau in the course of a few months. In the meantime some comparison as to relative cost of living under identical regimens may be made by reference to tables of prices. Information about different standards of living or "regimens" are not available.

2. **Prices in Various Countries.**—The following table shews the prices of the 14 articles in common use in the several countries specified, so far as these are available from official returns.

Index-numbers have been computed by the aggregate expenditure method on the assumption that the "regimen," or the relative quantities of each of these 14 articles consumed is the same in each of the countries specified as in the Commonwealth. This assumption cannot be entirely justified. It is, for example, well known that the consumption of beef and mutton per head of the population in Australia is large compared with certain other countries.

Retail Prices of Commodities, and Index-Numbers in Various Countries.

Commodity.	Unit.	Australia, Sydney, Jan.-Sep., '12	Great Britain, 1911.	Belgium, 1910.	Denmark, Copenhagen, 1911.	France, Paris, 1911.	Holland, Amsterdam, 1911.	Germany,† 1911.	Italy, 1910.	Canada‡ 1911.	United States, Feb., 1900.	N.Z. 1911 §
Beef ..	pound	d. 4.9	d. 6.9	d. 6.5	d. 7.6	*11.0	d. 10.6	d. 9.4	d. 7.0	d. 7.4	d. 7.0	d. 6.1
Mutton ..	"	4.2	6.3	7.0	7.0	*9.8	9.5	9.0	..	7.4	7.5	5.1
Pork ..	"	8.1	8.4	8.8	7.9	..	10.0	9.4	..	8.7	7.5	6.6
Butter ..	"	15.6	13.5	13.3	14.0	*15.8	15.0	14.5	..	13.3	16.7	13.4
Bacon ..	"	8.8	9.3	7.9	8.2	7.3	8.3	10.3	9.4	..	9.7	9.5
Cheese ..	"	11.7	7.3	8.6	4.9	7.6	8.5	9.5	..	..	9.2	10.0
Eggs ..	dozen	20.1	..	..	13.1	*13.8	..	11.1	..	..	15.8	14.7
Milk ..	quart	5.0	3.6	2.3	2.1	..	..	2.7	..	..	4.0	4.5
Flour ..	pound	1.4	1.2	1.4	1.7	1.8	..	1.6	..	1.8	1.6	1.5
Bread ..	"	1.7	1.3	1.2	2.2	1.3	..	1.4	..	1.6	1.8	1.7
Potatoes	cwt.	151.0	49.1	44.0	48.6	107.3	54.7	49.0	73.2	90.4	114.0	84.0
Sugar ..	pound	2.3	2.0	3.3	2.4	3.1	4.6	2.5	..	..	2.8	2.9
Coal ..	cwt.	15.0	9.9	13.5	12.6	24.8	..	15.1	..	..	14.9	12.2
Petroleum	gallon	12.8	6.0	7.1	7.8	24.9	7.4	11.3	..	..	9.7	7.2
Price- Indexes	..	1,000	890	932	992	1,410	1,353	1,158	998	1,075	1,161	991

* 1910. † Average of prices in Schonberg, Baden, Bavaria and Dresden. ‡ Average of prices in Quebec and Ottawa. § Average of prices in Auckland and Canterbury.

From the above table it appears that, in so far as the commodities specified are concerned, and on the assumption that the regimen in Australia applies to all the other countries, the United Kingdom is the

cheapest country, followed in the order named by Belgium, New Zealand, Denmark, Italy, Australia, Canada, Germany, the United States, and Holland, with France the most expensive.

It must, of course, be understood that these results are subject to the limitations already indicated, and that, on taking into account household and other items of expenditure, and also decided differences of regimen and in habits of the people of the several countries, a quite different result might be obtained, such as would, for example, be deduced from analyses of actual income and expenditure budgets.

VIII.—CHANGE IN STANDARD OF LIVING IN AUSTRALIA.

1. **General.**—It has already been pointed out that it is not proposed in connection with this Report to investigate the question of change in the *standard* of living, or in the "regimen," as it has been termed. The results of certain inquiries which have recently been made in this Bureau, however, point to the fact that some improvement in this standard has undoubtedly taken place during the past few years, and it has been thought desirable to include here some brief reference to these results. They concern, firstly, the consumption of commodities per head of population, and, secondly, certain facts relating to depositors in Savings Banks.

2. **Increased Consumption of Commodities per Head, 1903 to 1911.**—The following table shews for a number of commodities in common use:—(i.) The average annual consumption per head of the population in each successive five-yearly period from 1903-7 to 1907-11, as well as in the year 1911 alone; and (ii.) the ratios for the average annual consumption per head in each such period, compared with the average in 1911 alone (consumption in 1911 = 1000). To avoid minor fluctuations due to changes in stocks held, etc., it has been thought desirable to refer the results to the quinquennial averages indicated. The commodities included in the table are not identical with those comprised in that part of this Report which relates to Retail Prices and Cost of Living, but, so far as possible, they have been arranged so as to show under which of the Retail Price groups they should be properly classed. Articles which do not come within any of these groups are here classed as "Miscellaneous." In order to shew the general effect of the change in the consumption of all commodities taken together, index-numbers have been computed, for each period and for the year 1911 alone, by weighting the average annual consumption by numbers representing the relative average price during the whole period. The sum of the weights multiplied by the corresponding average annual consumptions in each period and in the year 1911 alone, divided by the sum of the weights, represents the relative expenditure in each period. The index-numbers have then been computed by taking the relative expenditure in 1911 as base (= 1000). These index-numbers are shewn in the last line of the table.

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