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**Different types of markets – Labour Markets**

**Labour markets** At any given time there will be people who are looking for a job. Some of them are people who are unemployed and want to find work; some of them already have a job and are hoping to move to new or different work. At the same time there will be many businesses who are looking to employ new people to work for them. Prospective employees are hoping to *sell* their labour to employers. Those employers wish to *buy* the skills and effort of suitable employees. This combination of buyers and sellers of labour constitutes the labour market.

Like many other markets, the labour market does not operate in a particular physical location. The labour market relies on a variety of means of communication between the sellers of labour (potential employees) and the buyers of labour (employers). These allow employers to advertise vacancies in their business, and potential employees to find out about job opportunities. The operation of the labour market can involve the following:

* The simple placement of a sign in a shop or café window indicating that the owner has a job vacancy
* Advertisements in newspapers, advertising job vacancies. This method has declined significantly in recent years, with relatively few vacancies advertised in this way today.
* Online ‘jobs boards’ such as Seek, mycareer and Australian JobSearch are the fastest growing source of job advertisements, updated every day. Employers pay a fee to advertise their vacancies, and in many cases it is possible to apply online for the vacancies advertised.

Figure 2 Online job boards such as SEEK are the fastest growing source of job advertisements.

* Any person receiving **unemployment benefits** from government is usually required to take an active role in looking for work. The government pays independent agencies to assist unemployed people to find work. Many of these are run by community organisations such as MatchWorks, Salvation Army Employment Plus and CVGT Australia.

The price paid by the employer as a buyer of labour is known as a wage or salary. Wages and salaries are quite highly regulated in Australia. There is a **minimum wage** that must be paid to all employees over the age of 21 years. It is adjusted every year to account for rises in the **cost of living**. At July 1, 2023, this was set at $23.23 per hour, or $882.74 for a standard 38 hour working week.

In addition, different industries have standard wages and conditions that are higher than the minimum wage. These are known as **Awards**. On top of these Awards, groups of employees are able to negotiate with employers in their own workplace to gain additional benefits through a process known as **enterprise bargaining**. Usually this negotiation will be carried out by a **trade union** on behalf of the employees. Agreements reached through this bargaining process are known as enterprise agreements. There are a number of laws that govern the process of enterprise bargaining, as well as the types of working conditions that must be included in enterprise agreements.

**Questions:**

1. **Explain what constitutes the Labour Market. (What are each party trying to buy and sell?)**
2. **What do labour markets rely heavily on?**
3. **List the ways jobs can be advertised in the labour market.**
4. **What is a wage or salary?**
5. **Explain the minimum wage? Why do you think it is important to have a minimum wage? (Explain)**
6. **Explain why the minimum wage is adjusted every year.**
7. **Explain what “Awards” are.**Bottom of Form

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