ECO100 Topic 8 Worksheet 1

Your Task

Read the article, [*Microeconomics of the Australian Labour Market*](https://www.rba.gov.au/publications/confs/1998/pdf/freebairn.pdf), about labour market costs, written by Reserve Bank of Australia (RBA).

Explain your observations of what is happening with wages and economic growth in each of the following cases and explain why these circumstances occur. Consider wages as an input cost.

1. In the last resources boom (mining boom) in Australia, wages for an electrician, mechanic, engineer or truck driver working in remote mining locations became 3-4 times the equivalent level of suburban, domestic (non-mining related) equivalent trades jobs.

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1. When public holidays occur, many more people go out for meals. Some casual staff in restaurants, cafes bars are paid higher rates for the public holiday. The venue may add a holiday surcharge to all the customers’ bills that same day.

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1. In some cities around the world such as San Francisco and Seattle, there are very high average incomes because of the presence of very high wages in some sectors that employ large numbers of people locally, including in social media and other high-tech companies. Yet there is significant homelessness among people who have very low wage part time and casual jobs in these same cities, such as cleaners and food delivery drivers/riders.

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1. In some locations, such as farming communities, there is often a high availability of farm labour work, while there remains a level of unemployment. Why are these farm jobs all not filled by those currently unemployed?

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