3. Unitary Supply Elasticity
   PES co-efficient = 0

4. Relatively Elastic Supply
   PES co-efficient > 1

5. Perfectly Elastic Supply
   PES co-efficient = ∞

- Market Price
  - Equilibrium Diagrams

Topic 4: Labour Markets

- **Labour Market** – refers to any situation which brings employers into contact with employees.
  - Derived demand means that the service of labour are demanded only because they are needed for the firm to produce goods and service and make a profit
- **Demand for Labour**
  - The output of the firm
  - productivity of labour
  - cost of other inputs
- **The Supply of Labour**
  - Pay Levels
  - Working Conditions
  - Education, Skills and experience requirements
  - The mobility of labour (occupational and geographical)
  - Participation rate (% = $\frac{Labour\ Force}{Population\ agaed\ 15\ or\ over} \times \frac{100}{1}$)
- **The Australian Workforce**
  - Cyclical Unemployment is downturn in business cycle
  - Structural Unemployment is mismatch skills demanded
  - Long-term Unemployment is being unemployed for a period of 12 months or more
  - Seasonal unemployment is seasonal natures of some jobs
  - Hard-core unemployment is unemployable people because of disabilities
  - Hidden unemployment is given up actively seeking work
  - Underemployment is when individuals who would like to work more hours
  - To be classified as unemployed, a person must be over the age of 15, without a job, or stood down from a job without pay, but be actively seeking full-time or part-time work.
  - Unemployment rate (%) = $\frac{Number\ of\ persons\ unemployed}{Total\ labour\ force} \times \frac{100}{1}$
  - Total size of the workforce is approximately 12,569,500 (12.5 million)
  - Employment in the primary sector has started falling and has been stronger in the service sector

Labour Market Outcomes

- **Differences in incomes from work**
  - Creating a more equitable distribution of income with tax transfers, government expenditure on welfare and etc.
- **Labour Market Trends**
  - Unemployment rate has been at its highest rate since the great depression 6.5% at the end of 2015 but has decreased to 5.7% on July 2016.