

Section IV — Answer either Question 27 or Question 28

28

Write the question number in the space provided

Question Number

- Structural - Seasonal - Hidden ^{-lack of skills}
- Cyclical - Frictional - disability ^{-required skills}
- long-term unemployment ^{- job services Aus} - emerging technology ^{-incentive to spend}

Unemployment can have many impacts on the Australian economy. To examine these impacts we must first examine the types of unemployment for example; Seasonal, Hidden, Frictional, Cyclical, Structural and so forth.

2013 HSC - Economics
Band 3/4
Sample 1 Question 28

One of the causes of unemployment would be lack of skill or not possessing the right skill for the labour or job required. Due to advancing technology and emerging industries a transition is made between old and new methods of production. Workers previously trained for the old method or use of technology might not have the skill requirements to operate the newer technology or capital introduced therefore causing unemployment. To avoid this companies might retrain workers to provide them the needed skill to operate newer capital.

In the course of this situation

supply may be decreased due to lack of labour, the price of products may increase causing consumers to lose incentive to spend and slowing down economic activity in some parts of the country. This can also lead to a slow down in economic growth due to consumers wanting to save.

2013 HSC - Economics
Band 3/4
Sample 1 Question 28

The unemployment rate disregards many other aspects of the Australian economy. The statistics do not include for example children or infants, retired people, underaged students and so on. Unemployment rate only measures the people over a certain age and are able to work, currently seeking ~~at~~ a job or ~~are~~ actively seeking, in relations with the Job Services Australia. To counter unemployment Job Services Australia places job seekers in positions that meet their needs or specific requirements.

Seasonal unemployment ~~is~~ can be ~~explained~~ can be straight forward as its name states. For example a ~~person~~ snow boarding instructor in the winter, because snow melts in summer and there is no snow to snow board on. The instructor can not maintain his job if there is no snow, so he/she must after the winter season is over either seek another job for the rest of the seasons or

change possess another skill to transfer into another section of employment that is available with their employer for example some kind of management. However their employer may also experience this seasonal unemployment for example if they own a lodge in the Snow area. The profits are made in the winter, however for the rest of the season with no customers there is no profits made.

2013 HSC - Economics
Band 3/4
Sample 1 Question 28

So he/she must have another alternative to making profits, in this course, the employer's employees also have to find other means of employment for the rest of the seasons.

This causes a group of more than one person to be unemployed at once. And this situation may be happening in more than one area. This can increase short-term unemployment.

The increase of a short-term unemployment may affect the Australian economy for a short period of time due to the loss of labourers at once.

Long-term unemployment is another problem in the Australian Economy, ~~was~~ unemployed persons may give up seeking employment after a period of time usually more than a year. They lose their confidence

after a long period of time and lose incentives in further seeking jobs. One of the negative impacts most commonly discussed due to the effect of unemployment to the Australian economy is welfare. Unemployment benefits given to the unemployed have both advantages and disadvantages. While the unemployment benefits keeps people from becoming homeless, and able to sustain standard living conditions while seeking another job. It can be opposite of others, who may see this as an opportunity to not work and receive benefits. This is a problem to the Australian economy in terms of welfare money spent, there is no return of labour or services.

2013 HSC - Economics
Band 3/4
Sample 1 Question 28

Another contribution to increased unemployment would be due to disabilities, unemployed persons may want to work but are unable to due to either disabilities or drug issues. This also is another problem in the Australian economy as the Budget has to be changed to meet some requirements to be able to fund programs such as training or rehab facilities to help these people in order for them to attain a job that they are able to do. For example a person with back pain cannot lift heavy objects he/she may be employed to do paperwork / desk work

instead of heavy labour. ~~Other issues~~

Other unemployment ~~are~~ issues such as frictional unemployment occur when workers transfer or change job professions. During this process they may have to change their job location or move to a different home. The time for them to pack and move creates a period of unemployment as they cannot work while moving. It is a short term of unemployment, in a positive aspect the person still has a position secured.

However companies shifting their production offshore creating this can have an effect ~~is~~ in the Australian economy after. Especially in the areas of manufacturing, Australia is known to have deteriorated in the manufacturing sector. Therefore we import more goods, this is a leakage and can lead to a deficit.

Overall from the points above unemployment can have negative impacts on the Australian economy, creating loss in certain sectors of Australia.

Another cause of unemployment would be

From cyclical paragraph

cyclical unemployment, this is caused by periods of recessions, companies and employers do not have enough to manage more employees, employees are let go from their work, increasing

2013 HSC - Economics
Band 3/4
Sample 1 Question 28

unemployment. These periods of recessions increase government needs to fund welfare or Australian economy to borrow from private or foreign investors to get back up to sustainable levels of economic activity. ~~Reassignment of~~ Relocation of workers might be needed, implementation of policies to prevent further recessions, increased and decreased budgets for areas, a re-evaluation and assessment of the economy and so forth.