

# MEDIA RELEASE

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## **Job loss suburbs exposed**

A new report identifies the suburbs most vulnerable to job losses as a result of the current global economic crisis and has prompted calls for the Federal Government to consider the introduction of a 'Job Guarantee'.

Prepared by the University of Newcastle's Centre of Full Employment and Equity (CofFEE) in partnership with Griffith University's Urban Research Program (URP), the report is titled *Red alert suburbs: An employment vulnerability index for Australia's major urban regions*.

CofFEE Director Professor Bill Mitchell said the team developed an employment vulnerability index (EVI) that covered all capital cities and major regional centres – around 70 per cent of the population.

"The EVI reveals red-alert and amber-alert suburbs most exposed to potential job losses and least well-placed to escape the disadvantage associated with increasing unemployment rates," Professor Mitchell said.

"As the global economic crisis worsens all cities will face potential job losses, but the EVI shows that some will be more affected than others, such as the traditional 'battler' suburbs, but also a new area for social disadvantage – the mortgage belt."

Report co-author Professor Scott Baum from URP said communities in the past that had benefitted from economic prosperity now faced increasing unemployment risk.

"While past economic fortunes have been kind to these suburbs, the negative impacts of the current financial crisis will deliver a different kind of social and economic reality," Professor Baum said.

"Some of these suburbs are located in middle and outer-suburban mortgage belts where homes were bought during the housing and economic boom. A real danger is that as unemployment strikes, many of these suburbs will become hotspots for repossessions."

The authors of the Report argue that the Federal government should prioritise the minimisation of job loss.

Professor Mitchell said: "the current Federal approach to stimulus is not focused on direct job creation and the jobs dividend on the significant public spending will be small."

The report recommends the introduction of a 'Job Guarantee' that would offer a public works jobs to anyone at the minimum wage.

The Report shows that for \$8.5 billion dollars the Federal government could create 560 thousand minimum wage jobs over the next 12 months.

**The report and an extensive range of maps and data profiles of the job loss suburbs can be found at:**

[http://e1.newcastle.edu.au/coffee/indicators/job\\_loss\\_index/index.cfm](http://e1.newcastle.edu.au/coffee/indicators/job_loss_index/index.cfm)

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