

"State feels the sting of job losses"
 The Age. Page 1. Friday 13th March 2009.

Unemployment surges to 5.6 per cent

By **PETER MARTIN**
 ECONOMICS CORRESPONDENT

AUSTRALIA'S unemployment has surged to its highest level in five years, with Victoria suffering the biggest rise in the nation.

As the financial crisis began to bite, Victoria's unemployment rate jumped from 4.8 per cent to 5.6 per cent, putting it behind only NSW and South Australia.

Australia's unemployment rate rose from 4.8 to 5.2, meaning that 590,000 people are out of work, the most since mid-2003.

The speed with which the jobless rate has risen in recent months has prompted speculation that it will exceed the Federal Government's forecast of 5.5 per cent by June, and 7 per cent midway through next year.

It has also increased the chances of an interest rate cut next month.

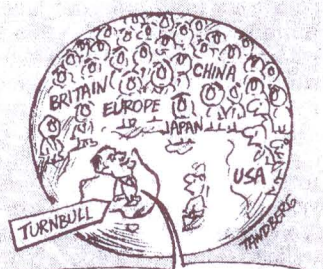
The figures came as the World Bank predicted that the global economy was heading for its worst recession since the 1930s and amid increasing speculation that US President Barack Obama would introduce another big stimulus package.

While Australia's unemployment rate has jumped, the number of people in work appears to have remained broadly steady. But the make-up of jobs is shifting from full-time to part-time, with Victoria leading the change.

An Age analysis shows that 35,300 full-time jobs have vanished in Australia since November, replaced by an extra 38,400 part-time jobs.

The fewer hours worked means Australia in the past three months lost the equivalent of 16,100 full-time jobs, more than half in Victoria.

In the past six months, Australia has lost the net equivalent of 21,300 full-time jobs, again more than half in Victoria. Only Western Australia has lost more



**YOU'VE ALL GOT IT WRONG
 ...IT'S A RUDD RECESSION**

JOB JITTERS

	Equivalent full-time jobs trend since November	Unemployment rate %*
VIC	▼ 8300	5.6
NSW	▼ 3200	5.8
SA	▼ 3600	5.8
WA	▼ 9800	4.2
TAS	▼ 900	4.5
QLD	▲ 3300	4.5
NT	▲ 2600	3.9
Australia	▼ 16,100	5.2

*Seasonally adjusted SOURCE: ABS, Age

work than Victoria in recent months.

The jobless figures were bad news for Victorian Premier John Brumby, who also saw the state's surplus slashed yesterday. Mr Brumby told parliament Victoria was facing the toughest economic conditions since the Great Depression, but said the Government remained "totally focused" on jobs.

Prime Minister Kevin Rudd said the spike in unemployment was the result of global pressures, and would have been worse if not for Canberra's stimulus measures.

But Opposition Leader Malcolm Turnbull said the Prime Minister should take responsibility for the "Rudd recession". He said it was such a big jump in one month that it cast doubt on the Government's forecasts.

Australian Chamber of Commerce and Industry chief executive Peter Anderson said the data was "a clear warning" that the jobless rate would rise faster than the 7 per cent forecast.

ANZ economist Riki Polygenis said the drift away from full-time work did not bode well for economic growth. He said it appeared companies were cutting staff working hours and this would put pressure on household spending.

Joshua Williamson of TD Securities said employers were still in the first stage of lowering working hours to cut costs as business shrank. "The leading indicators strongly suggest they will shed labour outright over the course of 2009," he said.

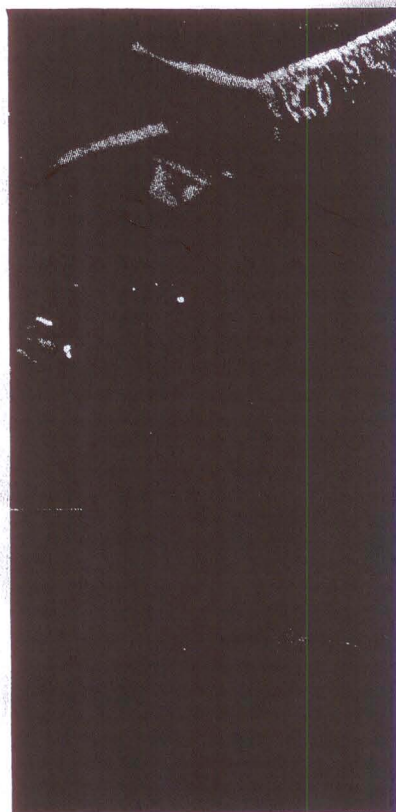
Women are holding onto full-time jobs much better than men, with trend figures showing no loss of female full-time jobs in the past three months, the period in which the Federal Government's stimulus package has shored up the fortunes of retailers, traditionally big employers of women.

World Bank president Robert Zoellick revealed in a British newspaper interview yesterday that he expected the global economy to shrink 1 to 2 per cent this year. In the interview, Mr Zoellick said: "These are serious and dangerous times. We haven't seen numbers like this since World War II."

The bank's updated forecast will be used to guide finance ministers and treasurers from the Group of 20 leading economies meeting in London on Saturday.

In comments that will not be welcomed by Treasurer Wayne Swan, who left for the meeting yesterday, Mr Zoellick played down the importance of more stimulus measures, saying it was more important to fix the financial system and help ailing developing nations. "Stimulus plans will be like a sugar high unless you fix the banking system," he said.

With AGENCIES



Peter Garrett and Midnight Oil perform in

Yes minist

By **TONY WRIGHT**

IF ONLY Parliament were like this . . . even for 10 minutes.

Peter Garrett may have a day job as a cabinet minister, but he and Midnight Oil proved last night they were still the Australian rock outfit for the generations.

"There's been a lot of interest in the songs we were going to play tonight, which I must admit I don't fully understand," a sweating Garrett said during a brief break from his familiar frenzied gyrations. "We'll get through as many of our songs as we possibly can tonight."

Indeed. He and the band had just finished one of their old anti-war anthems, *When the Generals Talk*, had pounded through their protest at unrestrained raping of the Earth, *Blue Sky Mine*, and were about to launch into their assault on corporate greed, *Read About It*.

From the moment the Oils took to the stage and launched into *Redneck Wonderland* before 3000 fans of all ages at Canberra's Royal Theatre, the

cro
se
ne
im
ne
an
lia
sti
ye
an
th
int
co
ret
Mi
all



**GEORGIA
 STEPS INTO
 FASHION
 VOID**

**STATE REAPS GST
 WINDFALL
 AUSTRALIAN
 BILLIONAIRES CLUB
 SHRINKS**

PAGE 2

WEATHER

MELBOURNE Cloudy. Isolated showers and thunderstorms until evening. Winds north-

TOMORROW Storms, rain
SUNDAY Shower or two

Min 20 Max 22
 Min 13 Max 19

WATER

MELBOURNE DAMS: 30.2%

ODD SPOT

The new police chief in to start work, but first he