



## Hard Lessons: Reckoning The Economic, Social, And Humanitarian Costs Of Zero-Covid

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In response to the covid-19 pandemic, Australia imposed some of the strictest measures in the western world. The restrictions dramatically changed every aspect of society and human dynamics and engagement. This resulted in the fracturing of social cohesion and reduction in nearly every indicia of human flourishing. This report evaluates the harm caused as a direct result of covid-19 restrictions, in order to facilitate a robust assessment of the success of this strategy.

It is important to note that this is not about “lives” vs “the economy”. The lives impacted by covid-19 are no more or less valuable than lives harmed by the response to covid-19. This report demonstrates that far more years of life will be lost due to the restrictions than have been saved. Thus, on a metric focused solely on the number of lives saved/lost the strict restrictions were a failure. In addition to this, the response to covid-19 has caused a significant reduction to the net mental wellbeing, economic prosperity, and educational levels of society. The main costs of the lockdowns are as follows:

- There is a positive correlation between employment and life expectancy. Unemployment

reduces life expectancy due to a number of well-documented causes, including cardiovascular disease; increased illicit substance and alcohol abuse, and suicide. The modelling in this report shows that the costs of joblessness and not working as a result for the first nationwide lockdowns in March and April 2020 were 31 times greater than the maximum possible benefits of all lockdowns throughout 2020 and 2021. The nationwide lockdowns imposed in March and April 2020 accounted for a total of over 1.8 million years of life lost due to joblessness alone.

- Victoria was the most enthusiastic supporter of zero-covid policies, and therefore paid the highest cost. Victoria was responsible for 45 per cent of the lockdown activity in Australia, despite making up only 26% of the Australian population.
- Australia suffered a net direct economic cost of \$260 billion between March 2020 and June 2022. This analysis estimates that \$111 billion of the economic cost was suffered in Victoria alone.
- State and federal government spending in covid-19 measures up to the end of the financial year was \$562 billion. Victoria committed \$6 107.5 billion up to the 2022 financial year in zero-covid measures and economic stimulus directly tied to the economic consequences of lockdowns and other restrictions.
- An estimate of the aggregated cost of the inflationary effects of zero-covid policies from 2020 to 2022 comes to approximately \$82.8 billion, but the excessive inflation is expected to continue to mid-2024 meaning this cost will accumulate over time.
- The combined direct economic costs combined with the total amount of covid-19-related state and federal government spending and the aggregated cost of inflation is currently at \$938.4 billion up to the end of the 2021-22 financial year. Victoria accounts for \$218.7 billion of the combined economic and fiscal cost of zero-covid.
- All students suffered significant educational setbacks. This detriment was most pronounced in Victoria, where students missed more than five terms of in person schooling, which resulted in Year 9 students falling behind by the equivalent of 12 weeks and 17 weeks of reading and numeracy skills, respectively.
- There are numerous socio-economic, recreational, lifestyle, and mental health harms as a consequence of lockdowns measures which have not yet been fully quantified but will be a significant ongoing cost of zero-covid.

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