



NSW Loses 10,000 Jobs Per Day Of Lockdown

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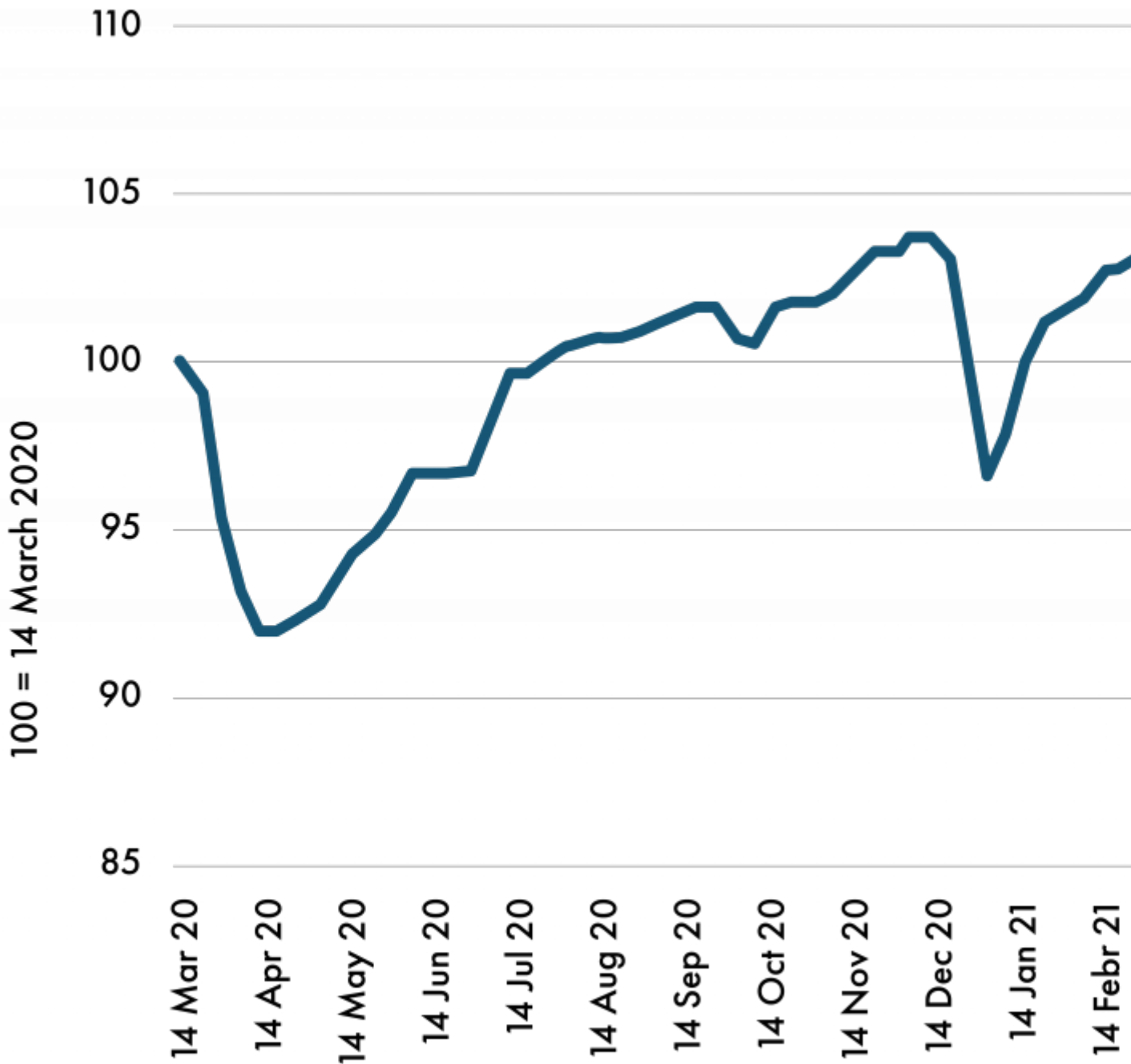
Analysis by the Institute of Public Affairs, based on [data](#) from the Australian Bureau of Statistics' *Weekly payroll jobs and wages*, has found that between 26 June (when the Greater Sydney lockdown started) and 17 July, 214,400 jobs were destroyed across New South Wales. That is equivalent to 10,200 jobs per day.

"This means that every single job restored across the 2020-21 financial year were wiped out in just four weeks," said Cian Hussey, Research Fellow at the IPA.

Rolling lockdowns have destroyed almost all of the jobs restored in the private sector over the past 10 months across Australia. In the four weeks to 17 July, over 360,000 jobs were lost.

"Economies do not 'bounce back' when lockdowns are lifted. Jobs go up the stairs and down the escalator when it comes to imposing and lifting lockdowns. It might be weeks until the lockdown is lifted, but it will take years for small businesses and jobs to recover," said Mr Hussey.

Jobs in New South Wales



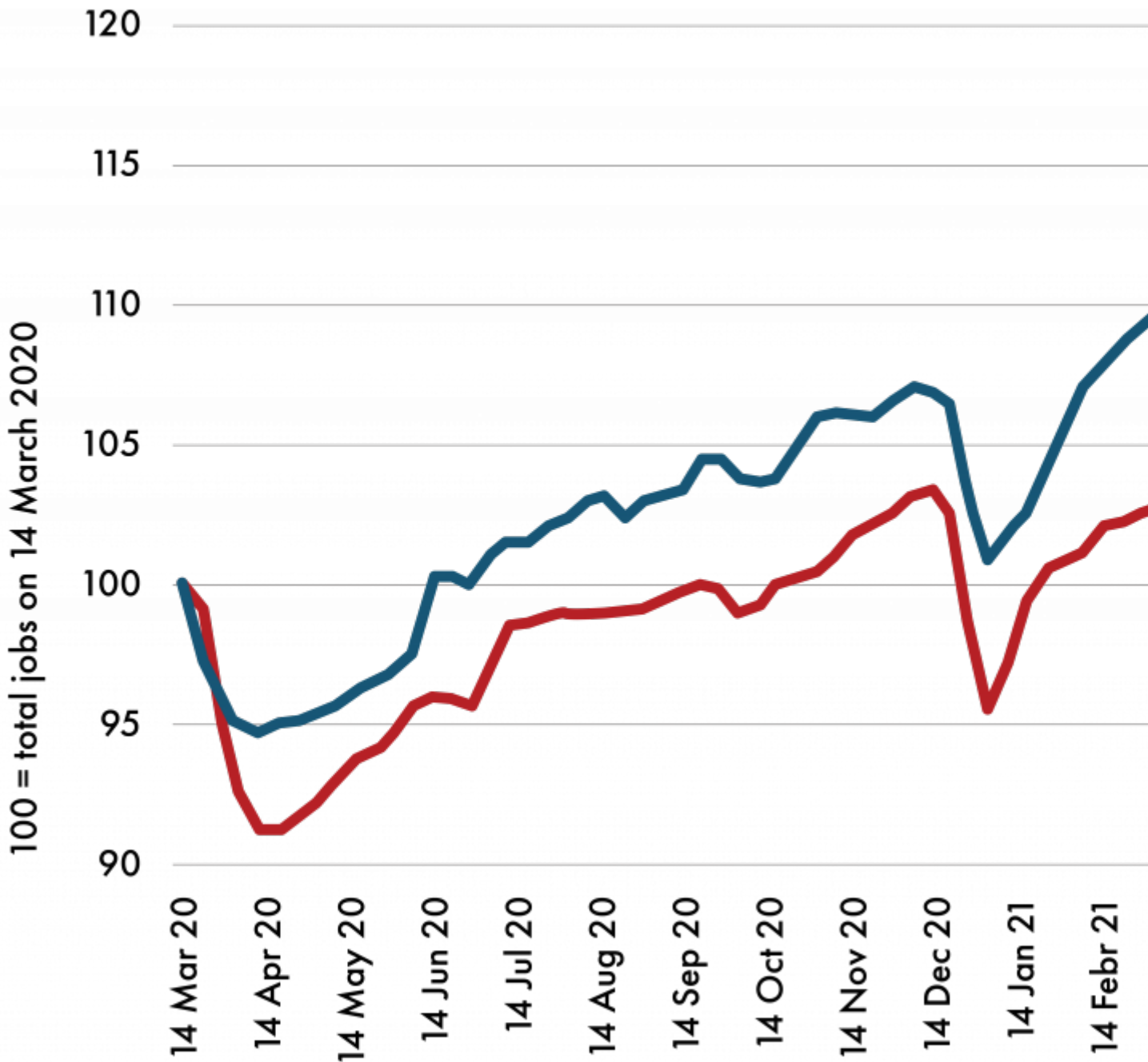
Source: IPA, ABS.

Note: Jobs dropped off over Christmas due to normal seasonal factors.



“Australia had a K-shaped recession and is in a K-shaped recovery: those in the private sector and particularly small business are struggling on the downward arm while big business and the public sector flourish on the upward arm.”

Australia's K-Shaped Recession



Source: IPA, ABS.

Note: Jobs dropped off over Christmas due to normal seasonal factors.



“As with every other lockdown, the most recent round of lockdowns have exclusively resulted in job losses in the private sector while the public sector remains unaffected. Those designing and implementing lockdowns never see the effects their decisions have on jobs because they remain protected,” said Mr Hussey.

The gap between public and private sector jobs grew as Greater Sydney and Victoria went into lockdown, and this gap is now the largest seen in the pandemic. As more data becomes available, this trend will likely be exacerbated. Compared to the start of the pandemic on 14 March 2020, public sector jobs had increased by 12% by 17 July 2021, while private sector jobs have increased by only 1.3%.

Further analysis of ABS data reveals that the private sector workforce saw its wages reduced by \$25.4 billion in the year to March 2021, compared to an increase of \$7.7 billion in the public sector. This was driven by both job losses and wage cuts in the early stages of the pandemic in the private sector, plus job gains and wage rises in the public sector through the course of 2020.

Changes in v

\$10

\$5

\$0

-\$5



This is based on compensation of employees (COE) data the *National Accounts*. We measured the difference between actual and expected private sector COE in the June 2020 through March 2021 quarters. Expected private sector COE assumed a quarterly growth rate of 1.22%, as seen in the three years to December 2019.

There is widespread public support for politicians and high-pay bureaucrats taking a pay cut to show that they are 'in this together' with private sector workers. An IPA [poll](#) released on 2 August found that 75% of NSW residents agreed with the statement "Politicians and bureaucrats on over \$150,000 per year should have their pay reduced by 20% for the duration of the Greater Sydney lockdown." This is consistent with the previous nation-wide poll commissioned by the IPA in April 2020 which found that 74% of Australians agreed that politicians and senior public servants on salaries over \$150,000 should have their pay reduced by 20%.