

COVID-19: 240,000 JOBS POTENTIALLY LOST IN NSW

- The ABS has released new data which uses aggregated data from employers that use Single Touch Payroll. This provides a more timely snapshot of what is happening to employment due to the effects of COVID-19. The data relates to the number of jobs as well as wages paid during the COVID-19 period.
- Business NSW has also used this new data to examine the potential impact of COVID-19 on the unemployment rate. Our estimates suggest around a quarter of a million jobs could be lost in NSW due to COVID-19 with the NSW unemployment rate potentially more than doubling to more than 10% (from 4.8% in March).

State-by-state analysis

- Employee jobs were down by 6% across Australia and wages paid fell by 6.7% (wages fell due to fewer employed persons as well as other factors such as falls in hours worked).
- NSW performed in line with the national average (employee jobs fell by 6.4%, wages by 6.1%) however there was some variability across the states and territories. Employee wages had more variance across the states and territories, though falls in employee jobs were relatively consistent across the country.

Falls in employee jobs and total employee wages: state-by-state

(note: week ending 14 March to week ending 4 April, positive number denotes a fall)

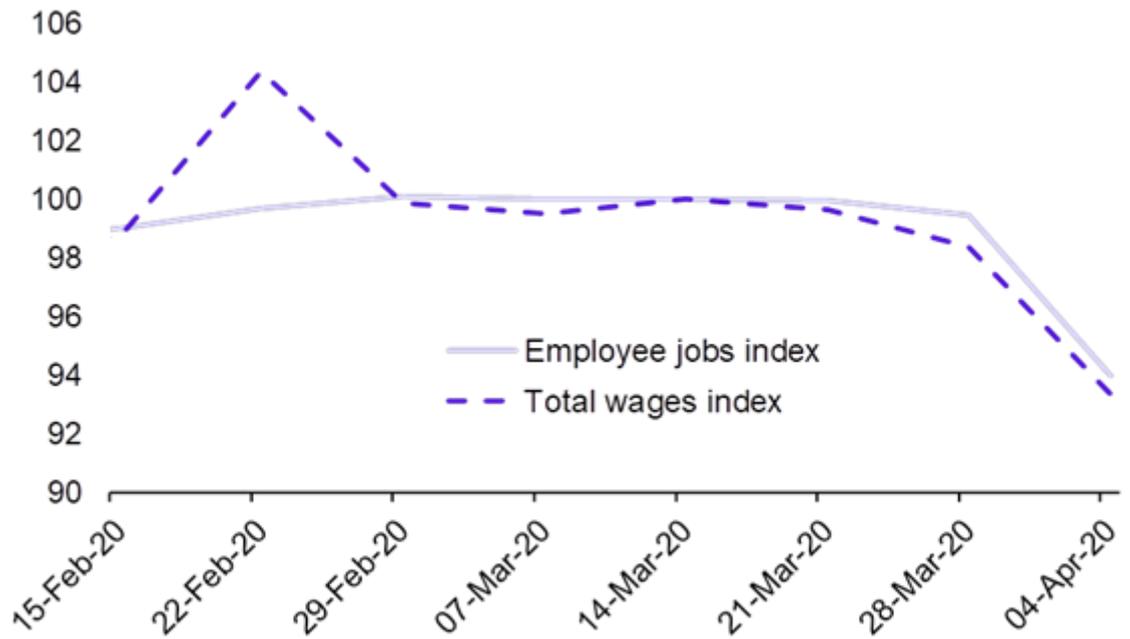


Acceleration after lockdown measures

- Job losses and the wages impact accelerated towards the end of March for both NSW and the rest of Australia (coinciding with the implementation of lockdown measures). The dataset begins from early January where there was an increase before peaking in mid-February (after the summer holiday period).

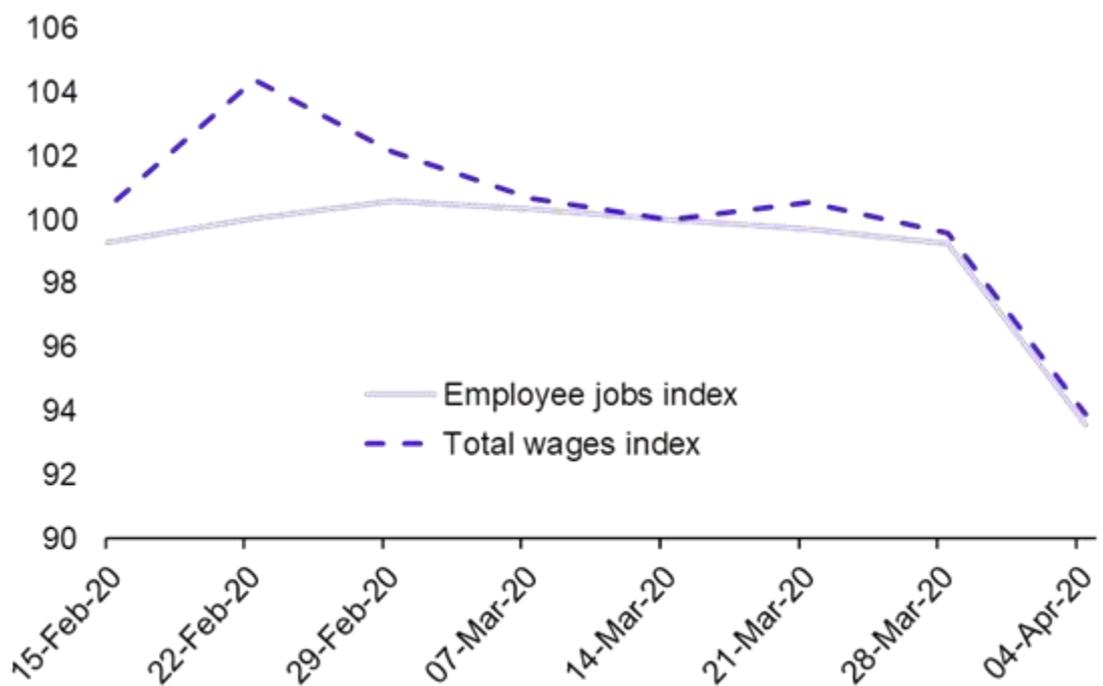
Employee jobs and total wages index: Australia

(week ending 14 March = 100)



Employee jobs and total wages index: NSW

(week ending 14 March = 100)



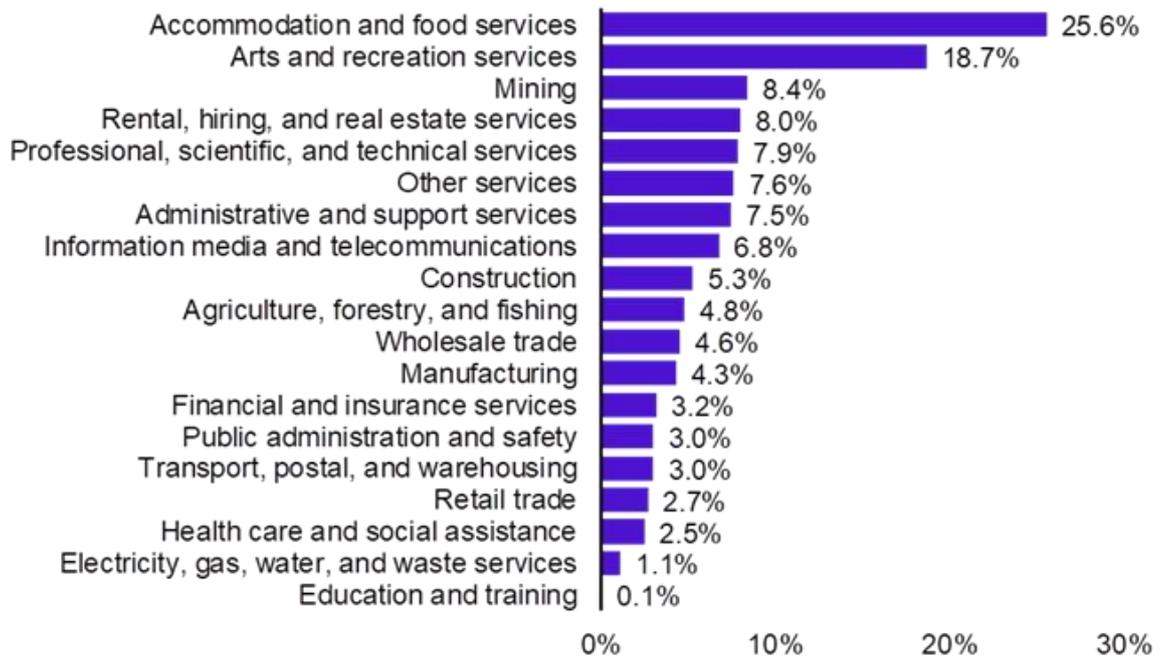
Impacts by industry

- Jobs in hospitality and tourism-related businesses were the most severely affected in the period since 14 March. Some industries

such as healthcare had a temporary spike from February, however have since fallen.

Falls in employee jobs since week ending 14 March: by industry

(note: to week ending 4 April, positive number denotes a fall)



Impacts by age

- Younger and older age cohorts experienced the largest impact since 14 March. This likely reflects the profile of hospitality workers and reverses some of the recent increases in participation seen in the 70+ age bracket.

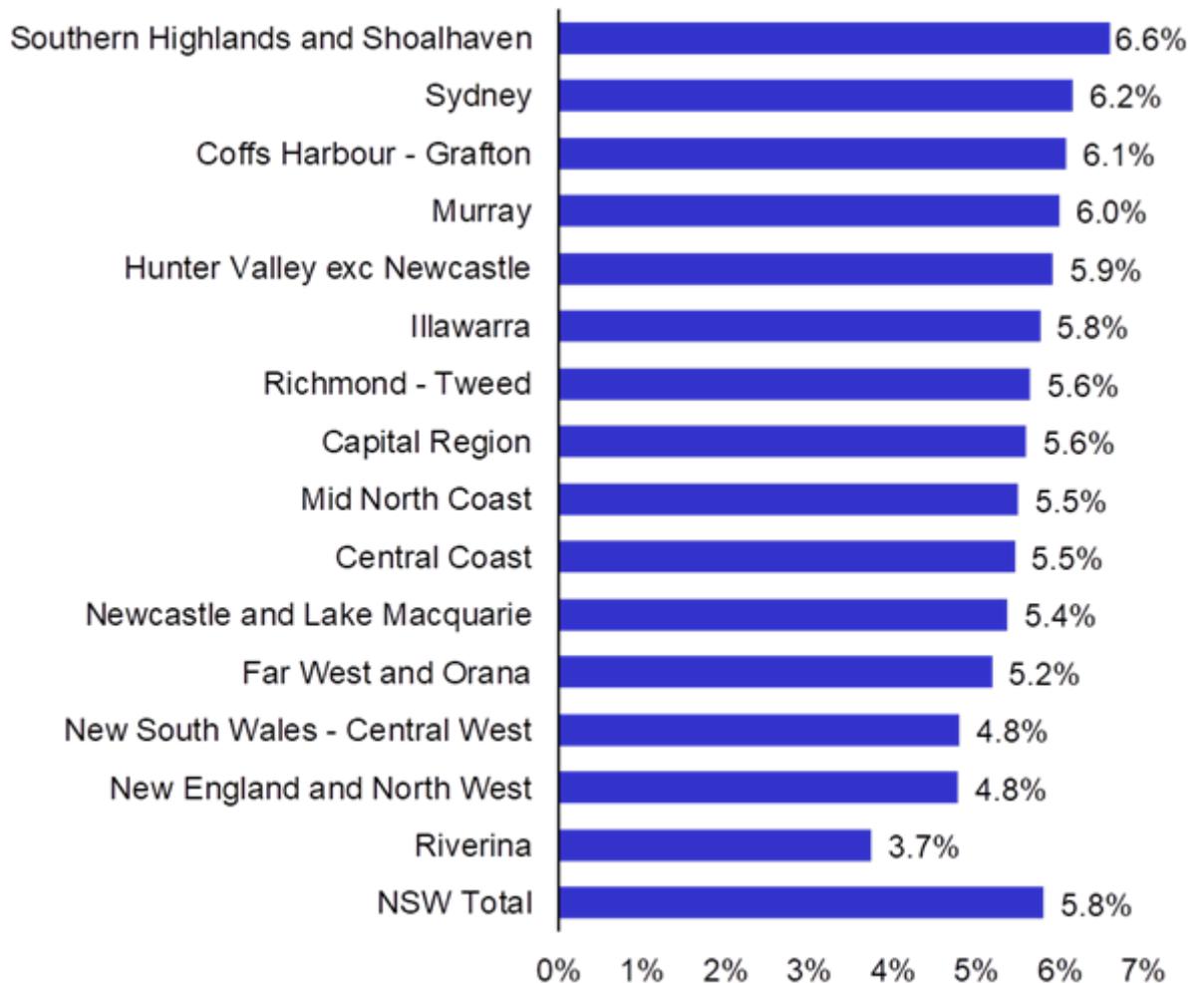
Age/Sex	% Change between 14 March and 4 April (Change since 100th case of COVID-19)
Males	-5.8%
Females	-5.9%
Aged under 20	-9.9%
Aged 20-29	-8.8%
Aged 30-39	-5.5%
Aged 40-49	-4.3%
Aged 50-59	-3.8%
Aged 60-69	-4.0%
Aged 70+	-9.7%

Potential impacts on unemployment

- There are inherent challenges associated with relying on this new data to estimate changes in the unemployment rate. However, this represents the most comprehensive dataset available at this time and can be used to identify the potential magnitude of labour market changes.
- Business NSW prepared the following estimates based on falls observed in the Single Touch Payroll data from the localised peak in February through to the falls experienced to the week ending 4 April. Regional estimates are calculated by applying state-wide industry estimates to regional employment by industry (these estimates do not capture any localised impacts).
- According to these estimates, 240,000 jobs could have been lost since the peak in February. This suggests the NSW unemployment rate could more than double to reach 10.2%. An offsetting factor may be if some workers exit the labour force, though this is a side-effect associated with a weaker labour market. The estimates may be understated as conditions may have deteriorated into April (and beyond), particularly as second-round effects start to flow through.

Estimated falls in employee jobs since week ending 15 February: by region

(note: to week ending 4 April, positive number denotes a fall)



Employment: Business NSW Estimates

	Jobs lost (000s)	% change	Previous U/E Rate	New U/E Rate*
Capital Region	-6.6	-5.6%	3.8%	9.1%
Central Coast	-8.7	-5.5%	5.0%	10.2%
Coffs Harbour - Grafton	-3.6	-6.1%	5.6%	11.3%
Far West and Orana	-2.7	-5.2%	2.7%	7.7%
Hunter Valley exc Newcastle	-8.2	-5.9%	4.5%	10.1%
Illawarra	-8.6	-5.8%	6.0%	11.4%
Mid North Coast	-4.5	-5.5%	6.6%	11.7%
Murray	-3.7	-6.0%	4.6%	10.3%
New England and North West	-4.5	-4.8%	4.6%	9.2%
New South Wales - Central West	-5.2	-4.8%	3.3%	8.0%
Newcastle and Lake Macquarie	-10.8	-5.4%	4.5%	9.7%
Richmond - Tweed	-6.7	-5.6%	4.2%	9.6%
Riverina	-3.2	-3.7%	4.7%	8.2%
Southern Highlands and Shoalhaven	-3.9	-6.6%	8.1%	14.1%
Sydney	-163.1	-6.2%	4.4%	10.3%
NSW Total	-240.3	-5.8%	4.6%	10.2%

Source: Business NSW estimates based on ABS data

About this release

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