



BIG SHIFT REPORT

2024

Navigating

Australia's Evolving Employment Landscape

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Introduction

In an era defined by change and adaptability, Australia's workforce is redefining traditional employment norms and creating new opportunities. **The Big Shift: Navigating Australia's Evolving Employment Landscape** by Deputy offers insights into the current landscape of work and what challenges business owners and workers are likely to face in the year ahead.

Our analysis highlights a significant trend in the Australian workforce— a surge in workers taking on multiple jobs, particularly across different industry sectors. Certain sectors are experiencing historically high levels of workers engaged in multiple jobs, reflecting evolving attitudes toward employment and income generation.

We explore the generational shift occurring in key sectors of the economy. Generation Z has emerged as a dominant force in the hospitality sector, surpassing Millennials in numbers. Their influence extends to the retail sector as well, presenting both challenges and opportunities for businesses.

Our data also reveals a positive trend—the increasing participation of women in shift work across various industry sectors. This trend signifies progress in workplace inclusivity and gender equality, showcasing a more diverse and empowered shift workforce.

In the healthcare sector, we uncover promising opportunities for job growth, yet this is tempered by the persistent challenge of labour shortages. While this industry holds substantial potential for expansion, recruiting and retaining the right talent for critical roles remains a significant hurdle.

We also look at the challenges faced by businesses in central business districts (CBDs) as they navigate economic uncertainty and changing workforce dynamics. Government-led initiatives aimed at boosting business revenues, generating new job opportunities, and enhancing economic outcomes for shift workers are being met with a sense of excitement and optimism – we analyse NSW and VIC's night-time economy to better understand the potential impact.

The Big Shift: Navigating Australia's Evolving Employment Landscape enables businesses, policymakers, and workers to navigate the intricate landscape of Australia's evolving employment sector, ultimately shaping the future of work across the nation in 2024.



Emma Seymour
CFO, Deputy

Data Analysis

The Big Shift: Navigating Australia's Evolving Employment Landscape, was produced by the leading scheduling software platform, Deputy, utilising aggregated Deputy customer data. The report features an industry-focused data analysis of Australian shift workers across the hospitality, retail, healthcare and services industry sectors.

Chief Economist at Geografia, Dr. Shashi Karunanethy, analysed 114,200,375 shifts and 778,232,332 hours of 679,860 shift workers to produce the insights in this report.



Dr. Shashi Karunanethy
Labor Economist

Dr Karunanethy provides specialised advisory services in policy and market design; thought leadership in the city, workforce, and future technologies; and economic strategies. He works with a variety of federal and state government entities, international development organisations, tech start-ups, and ASX-listed companies. Prior to this, he held senior professional roles in several consulting firms. He obtained his Ph.D. from the University of Melbourne.

Industry sample sets will not add up to the overall number of shift workers due to data being analysed from other industries not called out in the report, churn, and other events that have occurred between Dec 2019 and Dec 2023.

This data has been normalized to account for seasonality and demand of workforce fluctuations throughout the week (e.g. weekdays vs. weekends). In the report "women" refers to female-identifying Deputy users and "men" refers to male-identifying users

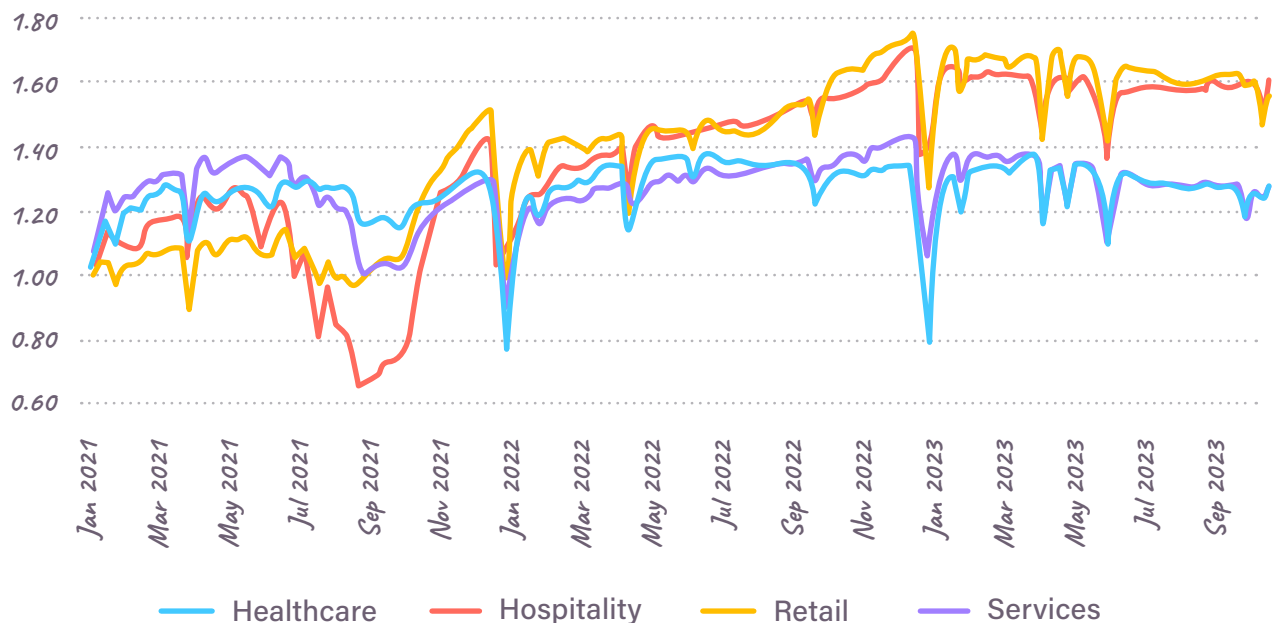
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Australia's shift worker industry landscape is changing

In 2023, shift-work employment levels were higher than those recorded in both 2021 and 2022. The hospitality sector emerges as the leading industry in this growth, registering a 60% increase in shift work hours since January 2021. The retail sector also shows notable growth, with a 40% increase in shift work hours during the same period. In addition, both the services and healthcare sectors have experienced a 30% rise in shift work hours compared to the early part of 2021. However, a contrasting trend is observed in the latter half of 2023, where there is a decline in shift work hours across these sectors. The healthcare and services sectors witnessed the most significant decline, with a 7% decrease in shift hours on a year-on-year basis. Although the hospitality and retail sectors initially faced declines in 2023, recent months have seen a reversal of this trend. Employment in these industries has now increased by 2% compared to the start of the year. This fluctuation in employment trends, particularly the recent modest growth in the hospitality and retail sectors, mirrors a broader economic slowdown in Australia, which is attributed to increased costs and changes in consumer spending patterns.

Deputy Job Index by Parent Industries

Source: Indexed to week beginning 4-Jan-2021 using Deputy (2023)

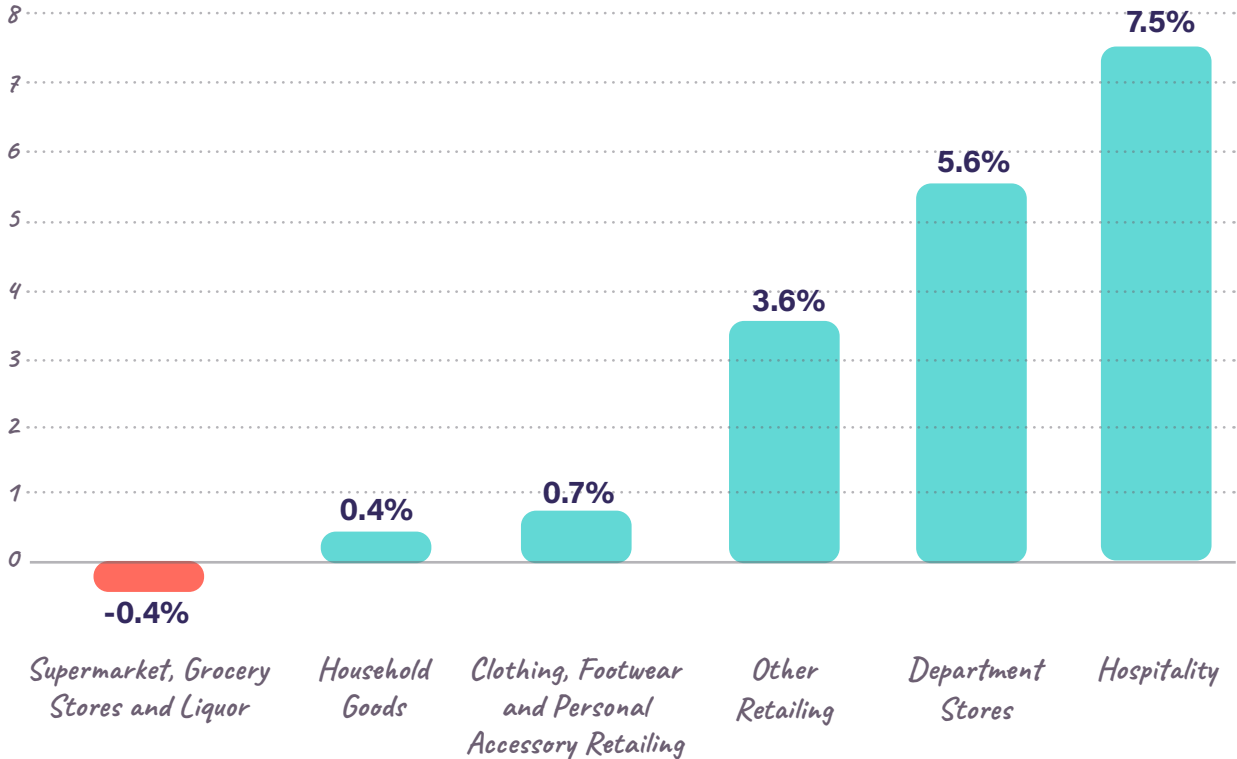


Spending on retail categories in 2023 has been relatively stable, with either minor increases or slight decreases across different sectors. In detail, the sectors of Clothing, Footwear, and Personal Accessories registered a small growth of 0.7%. The sector of Household Goods saw an increase of 0.4%, while Supermarkets experienced a minor decline of 0.4%.

In instances where there have been increases in spending, these are primarily seen in areas where consumers are seeking discounts in response to rising cost pressures. An example of this is the Department Store sector, especially those with a focus on discounts, which have seen more significant spending.

Change in Spend in Australia by Categories Jan 23 - Sep 23

Source: Insights drawn from internal research undertaken from Spendmapp by Geografia (2023)



Furthermore, there has been a notable 7.5% rise in spending within the Hospitality sector. This indicates a trend where consumers are more inclined towards occasional small-scale spending rather than committing to larger expenses such as travel. This pattern reflects a cautious approach to spending on high-value items, with a preference for more frequent but smaller expenditures.

Deputy's data provides insights into the employment trends within the Australian Hospitality sector, which continues to see growth influenced by the work-from-home consumer base. However, sectors primarily located in Central Business District (CBD) areas are experiencing more limited job growth. This trend is partly offset by the shift in consumer behaviour due to the Australian travel experience deficit. With Australians postponing large-expenditure items like travel, there is an increased preference for recreational activities that are both affordable and local, such as dining out and staycations. This shift in consumer spending habits is positively impacting the Australian Hospitality Sector.

Job Trends by Sub-Sectors

Source: Indexed to Week beginning 4-Jan-2021 using Deputy (2023)

	Growing	Challenging	Key Driver of Trends
Hospitality	Cafes, Fast Food,	Bars	Suburbs vs Inner Cities, Travel Experience Deficit
Retail	Pharmacies, Chemists	Gyms, Supermarkets	Essentials vs Non-Essentials
Healthcare	Care Facilities, Dentists	Childcare, Animal Health	Essentials vs Non-Essentials, Labour Shortages
Services	In-Home care, NDIS Provider, Catering	Personal and Beauty Services, Cleaning	Essentials vs Non-Essentials, Labour Shortages

In the Retail and Healthcare sectors, employment trends show growth in essential services, including roles such as Pharmacists and Doctors. In contrast, non-essential sectors within these industries are encountering challenges in job growth. This is largely due to consumers curtailing their spending in these areas, a strategy to manage cost-of-living pressures.

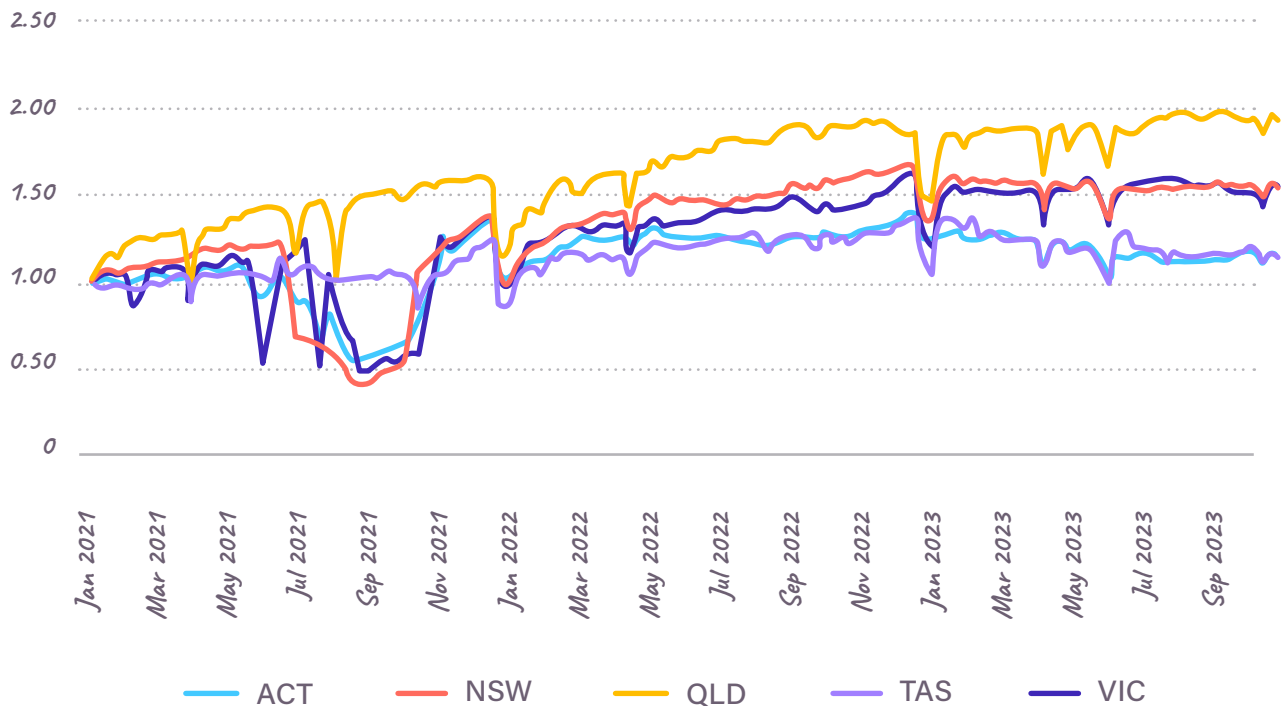
Furthermore, employment growth in the Services sector is being supported by programs like the National Disability Insurance Scheme (NDIS) and ageing-in-place initiatives. Despite this support, both the Services and Healthcare industries are grappling with labour shortages, which present challenges in both the short and long term.

The 2023 fiscal year saw varying economic trends across different states in Australia. New South Wales (NSW) and Victoria (VIC), two major markets, experienced declines during this period. These states were notably impacted by the rising cost of living, which includes increased mortgage costs, and this has been linked to the largest consumer spending declines observed in 2023.

Deputy's data highlights Queensland (QLD) was distinct in its economic performance, being the only state to record employment growth in 2023. Queensland is projected to continue this positive trajectory into 2024, leading national economic and job growth. This optimism is largely attributed to the state's investment in construction and infrastructure.

Deputy Job Index by Major States

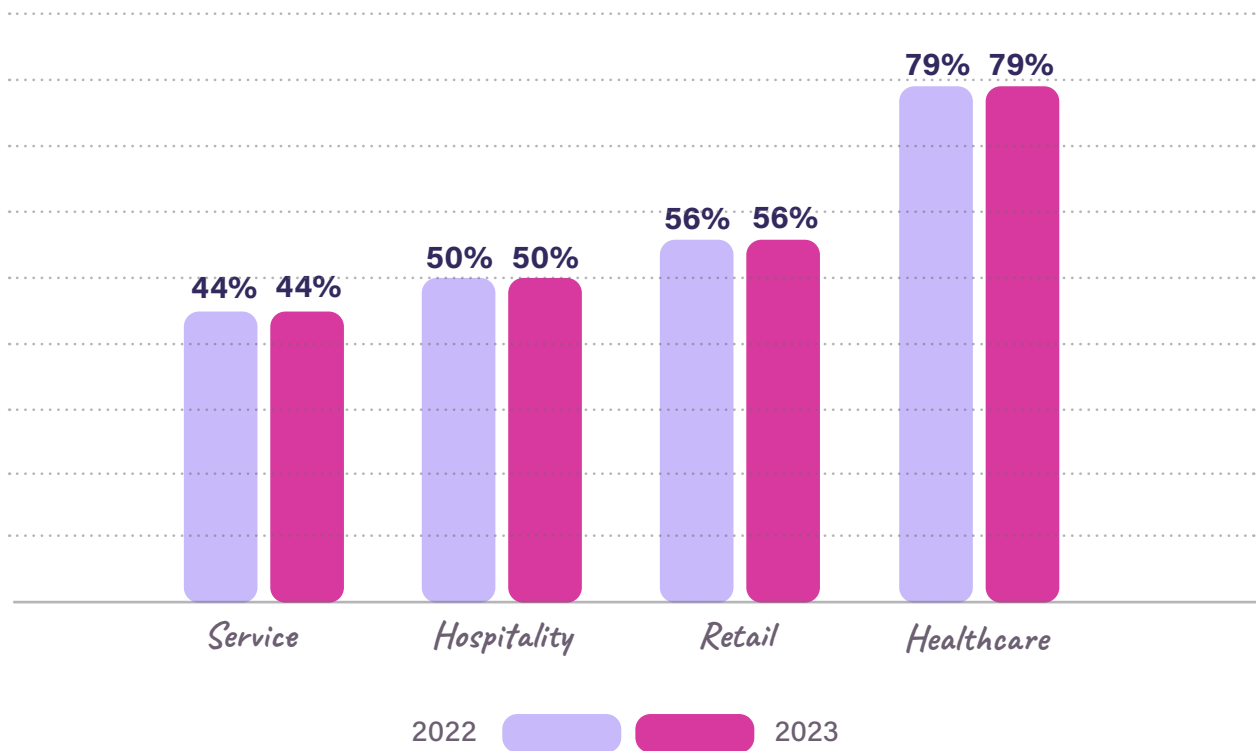
Source: Retail Industry Indexed to Jan-2021 using Deputy (2023)



In terms of shift work across various industries, women constitute the majority of the workforce. Specifically, women account for 56% of total shift work hours in the Retail sector, a significant 79% in Healthcare, and an even 50% in Hospitality. However, this trend is not uniform across all sectors. In the Services industry, women represent a smaller proportion, making up 44% of shift work hours. Despite the slowdown in consumer spending, there has been no significant impact on the distribution of shift work hours between genders.

Share of Female Shift Work Hours by Industry and Year

Source: Deputy (2023)



The workforce composition in various industries has undergone notable changes between 2022 and 2023, particularly in the age demographics of employees. In the Hospitality sector, Generation Z (Gen Z) has surpassed Millennials, becoming the largest generation working in this industry. As of 2023, Gen Z constitutes 38% of the hours worked in Hospitality, as illustrated in the figure below.

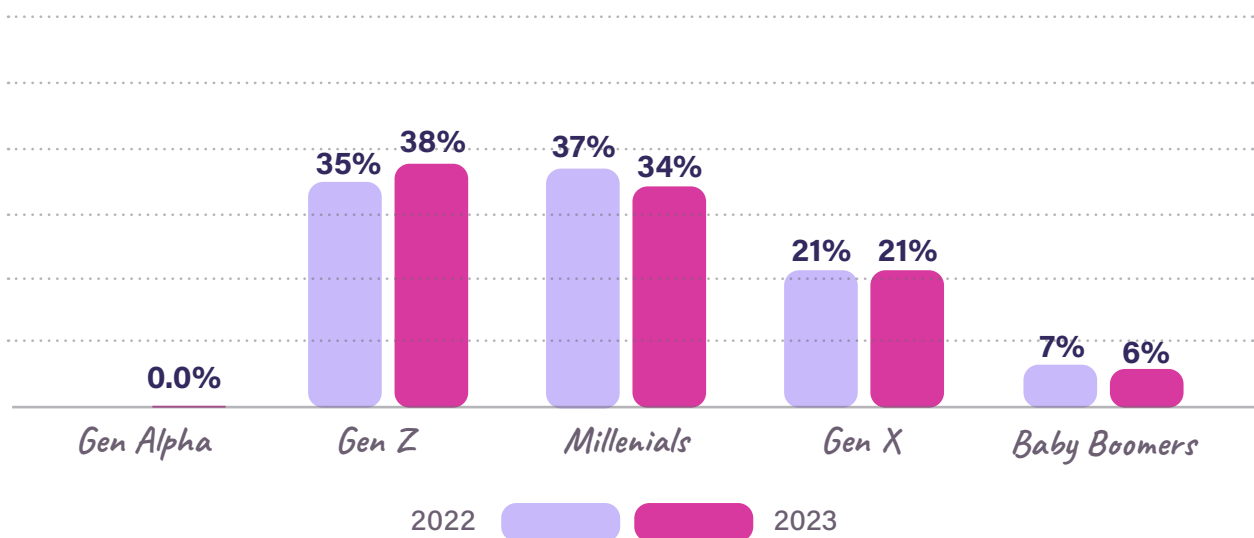
The Retail sector also shows a significant presence of Gen Z workers. In 2023, this generation accounts for half of the total shift work hours in Retail, indicating their majority status in the sector's workforce.

In the Services sector, Millennials currently maintain the majority, contributing 37% of shift work hours. However, Gen Z workers are a close second, comprising 36% of the hours. It is anticipated by next year, Gen Z will become the largest workforce group in the Services industry.

Millennials continue to account for the majority of work hours in the Healthcare sector. This trend is expected to persist in the medium term, as the Healthcare industry tends to attract and retain older workers more than other sectors.

Share of Employment in Hospitality by Generation

Source: Hospitality Industry - Deputy (2023)



Deputy data has highlighted the entry of Generation Alpha into the workforce, marking a new phase in employment trends. Currently, Generation Alpha represents a small fraction, less than 0.1%, of shift work hours, yet their choices in first jobs show a divergence from those of previous generations.

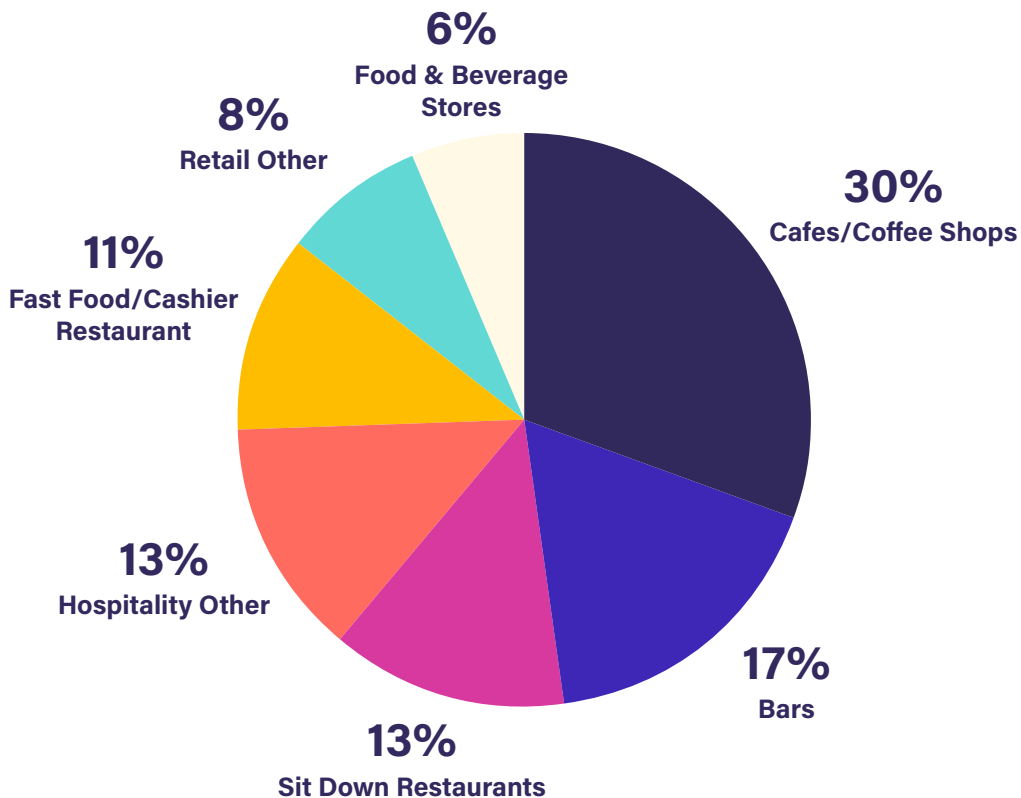
The data indicates that the majority of Generation Alpha is starting their careers in the Retail and Hospitality sectors. Within these sectors, their job preferences are distributed as follows:

- **30% of Generation Alpha are taking their first jobs in Cafes and Coffee Shops.**
- **17% are starting in Bars and Pubs.**
- **13% are choosing Sit Down Restaurants as their initial employment setting.**

In contrast, only 11% of Generation Alpha are employed in Fast Food or Cashier roles in Restaurants, which have traditionally been considered the typical first job settings for many Australians. This shift in employment preference among the newest working generation suggests a changing landscape in the job market for entry-level positions.

Generation Alpha Share of Employment by Sectors

Source: Deputy (2023)

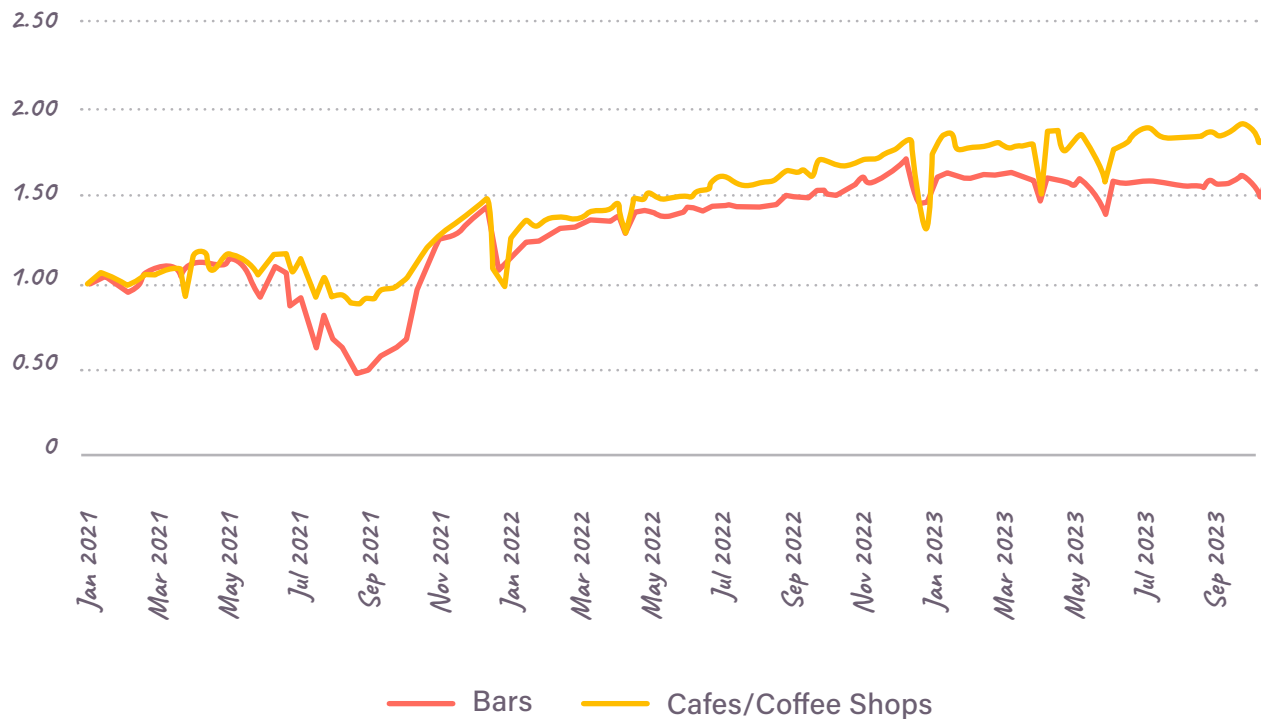


The employment landscape has undergone significant changes over the past few years, as highlighted in reports from 2021 and 2022. These changes have been primarily driven by the increase in work-from-home practices, which shifted job locations from Central Business Districts (CBDs) to suburban areas. As a result, spending and job growth in the suburbs rose, benefitting local businesses such as gyms, cafes, coffee shops, supermarkets, and suburban co-working spaces.

However, this suburban growth was accompanied by a decrease in activity within CBDs, leading to slower recoveries in sectors like Bars, Pubs, and Sit-Down Restaurants. This shift is evident in the differing job growth rates between City-based Bars and Neighbourhood-based Cafes/Coffee shops. Through 2023, suburbs continued to outperform inner cities in terms of jobs and spending.

Neighbourhood cafes vs. City Bars/Pubs

Source: Indexed to week beginning 4-Jan-2021 using Deputy (2023)



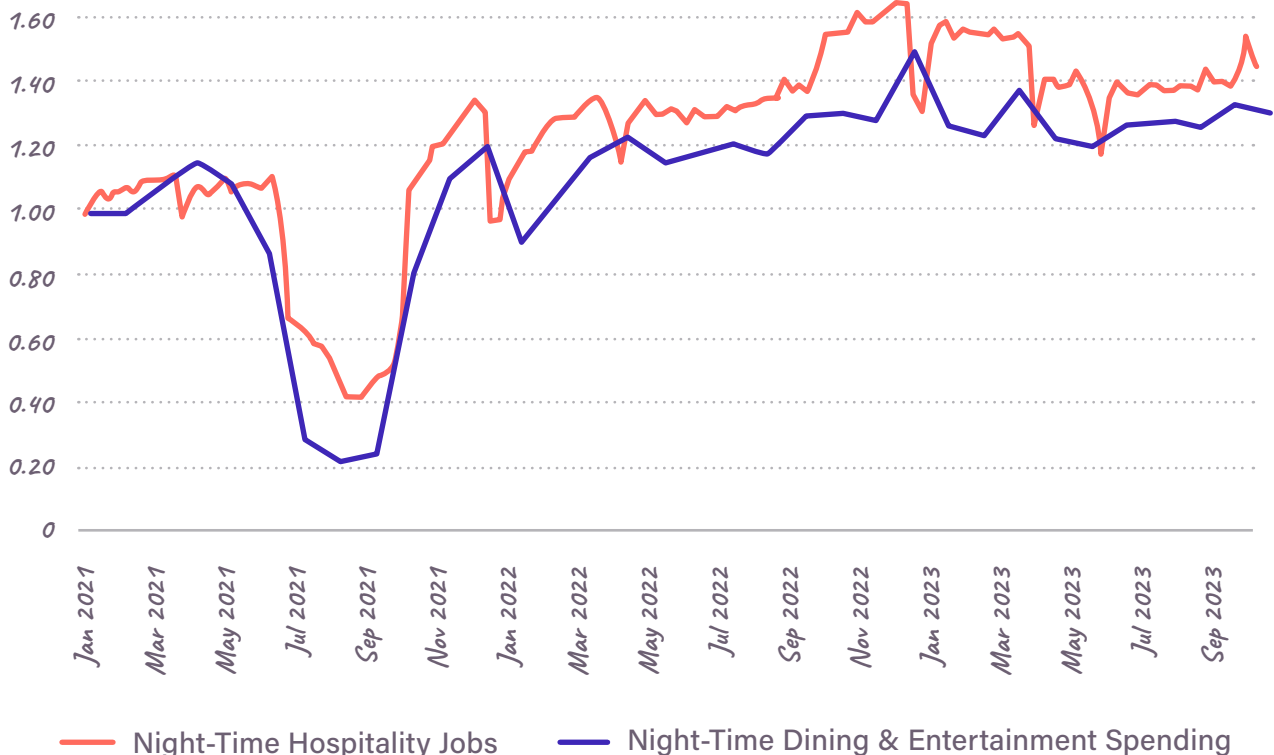
The rising mortgage rates have recently begun to reverse this trend, with data indicating a slowdown in spending and job growth, even in suburban areas. Jobs in CBDs have been most affected by remote working trends, leading to high vacancy rates in commercial properties. This trend is not unique to Australia but is seen globally in major cities including London and New York, as well as Sydney and Melbourne.

In response to these challenges, city governments are adopting various strategies to stimulate CBD economies. One approach involves restructuring commercial property markets into residential developments, creating a new base of consumers in CBDs. Governments are employing tactics such as tax incentives for first-time homebuyers in city centres and investing in social infrastructure like inner-city schools to attract new residents. Another strategy is the intervention in the night-time economy, where governments are actively marketing, promoting, and hosting events to draw suburban dwellers back to spend in CBDs.

In NSW, the government has actively engaged in enhancing the night-time economy through the establishment of the Night-Time Commission in collaboration with the City of Sydney. In 2023, there was a modest increase in night-time spending in NSW, which positively correlated with job growth in the sector. Analytical data reveals that a 10% increase in night-time Dining & Entertainment spending is associated with a 6.2% rise in night-time Hospitality shift work hours.

Night-Time Hospitality Job vs Spending Index - NSW

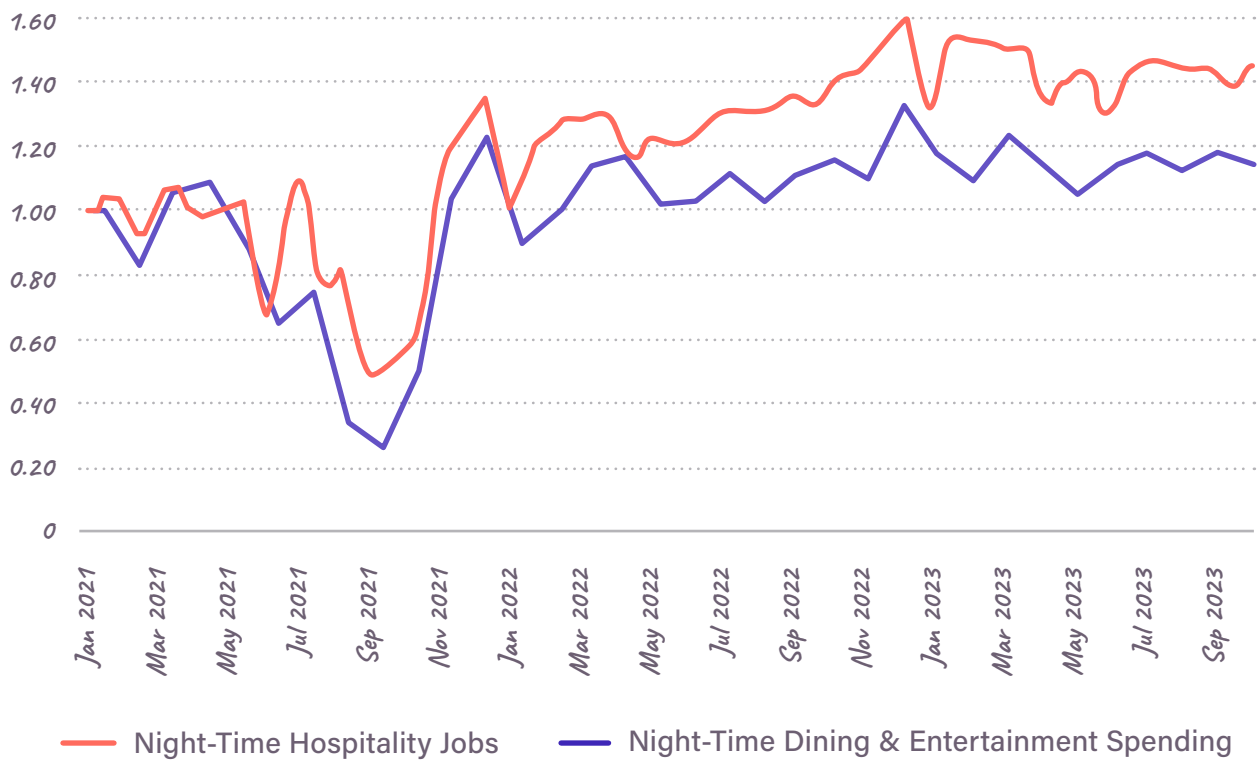
Source: Deputy (2023) and International Research undertaken by Geografia using Spendmap (2023) for Economic Development Australia



In Victoria, the approach towards night-time economic development is primarily driven at the city level, particularly by the City of Melbourne. Similar to NSW, Victoria witnessed a slight increase in night-time spending in 2023, which was also accompanied by a rise in employment. The analysis in this region indicates that for every 10% rise in night-time Dining & Entertainment expenditure, there is a corresponding 5.6% increase in night-time Hospitality shift work hours. These figures underscore the direct impact of night-time economic policies on employment within the Hospitality sector.

Night-Time Hospitality Job vs Spending Index - VIC

Source: Deputy (2023) and International Research undertaken by Geografia using Spendmap (2023) for Economic Development Australia



The Australian labour market in 2023 has been notably impacted by interest rate hikes, as revealed by current employment data. This year marked the first increase in unemployment, accompanied by a decrease in job vacancies. Despite these changes, unemployment levels remain relatively low, and job vacancies are still considered high when compared to historical standards. As a result, the labour market in 2023 continued to be tight. However, there is an expectation that the unemployment rate may increase if the trend of rising interest rates persists into 2024.

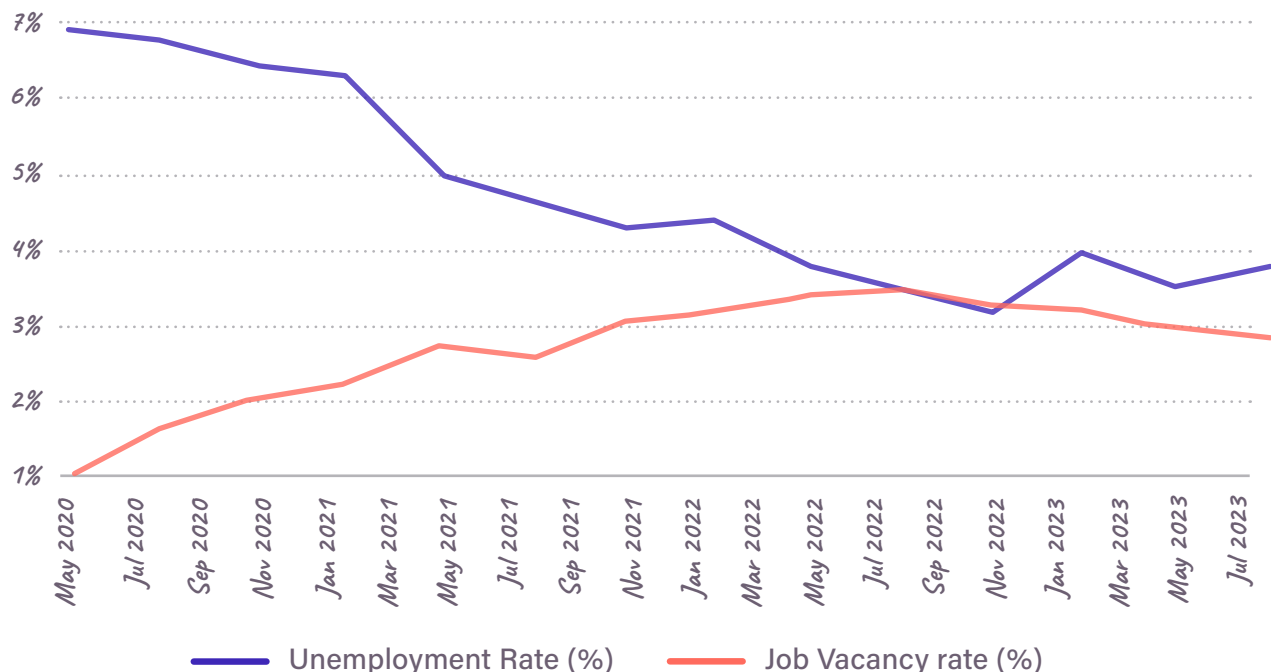
Economic forecasts are indicating a potential slowdown in economic activity. This anticipated slowdown can be attributed to several factors:

- 01** The sustained high-interest rates, which might further increase in the future, are a significant contributor to the expected economic deceleration.
- 02** Increasing costs of essential inputs such as gas and fuel are also influencing the economic outlook. These rising costs are being further compounded by ongoing global political events.
- 03** The restructuring of critical sectors, particularly construction and finance, is another element affecting the economy. This restructuring is closely linked to the slowdown in commercial property investments, a direct outcome of the increasing work-from-home trends.

These factors collectively suggest that the Australian economy may face challenges in maintaining its current growth trajectory, with implications for the labour market and broader economic health.

AU Unemployment and Job Vacancy Rate (%)

Source: Australian Bureau of Statistics (2023)



A slowdown in the Australian economy is expected in 2024, but it is anticipated to be mitigated by three key developments.

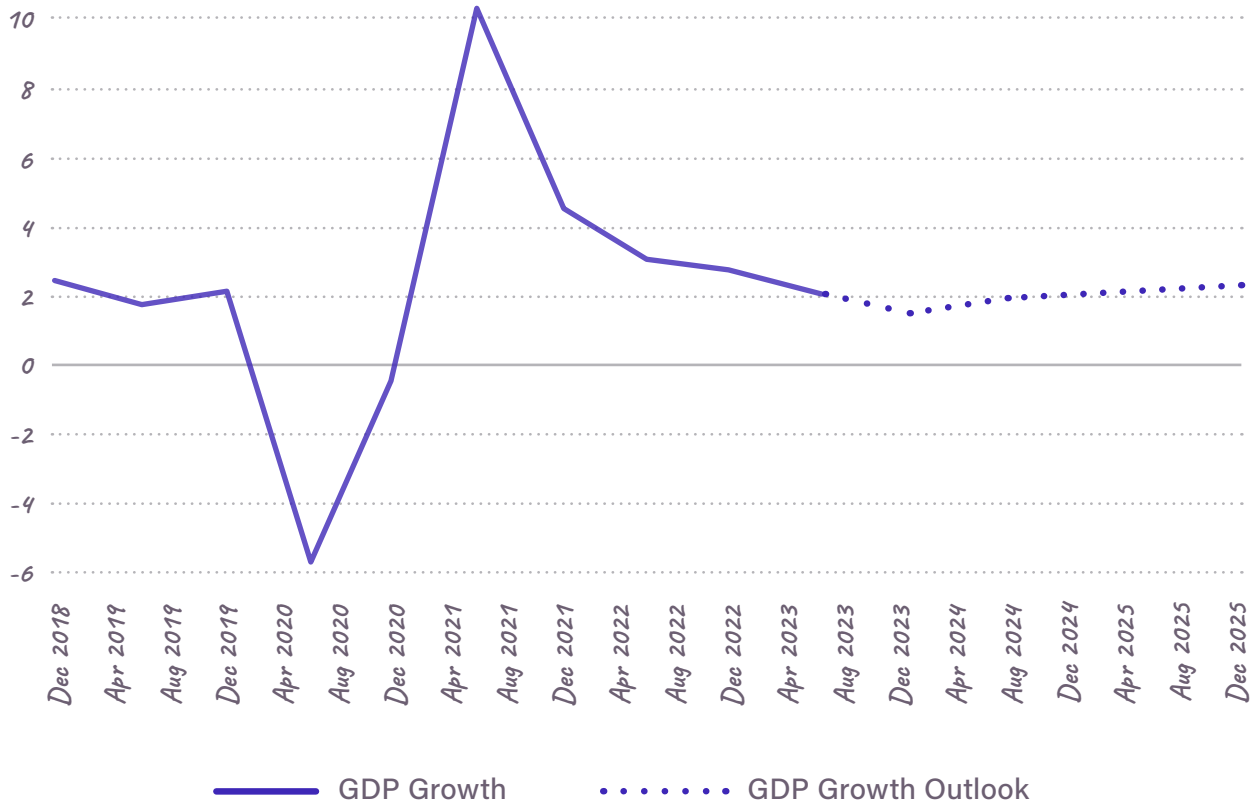
Firstly, China's forthcoming economic stimulus is aimed at supporting its own economic recovery, which is likely to increase the demand for Australian exports, particularly agricultural and mineral commodities. This increased demand is expected to have a positive flow-on effect on various service sectors, including those involving shift work.

Secondly, the return of international migration to Australia is set to expand the consumer base. The spending by these new residents is predicted to support increases in aggregate expenditure within the Australian retail and hospitality sectors.

Lastly, significant regional growth investments in Queensland, supported by state-level infrastructure and the construction industry, are expected to bolster economic growth in the State. This development could offset the slowdown experienced in other parts of the country. This scenario is reminiscent of the economic trends during the 1990s downturn, where Queensland's economic growth was propelled by local construction activities, the commodities market, and state-government infrastructure investments. These factors collectively indicate while a broader economic slowdown is on the horizon, these positive developments could provide substantial support to the Australian economy.

AU Economic Growth Predictions (%)

Source: Reserve Bank of Australia (2023)

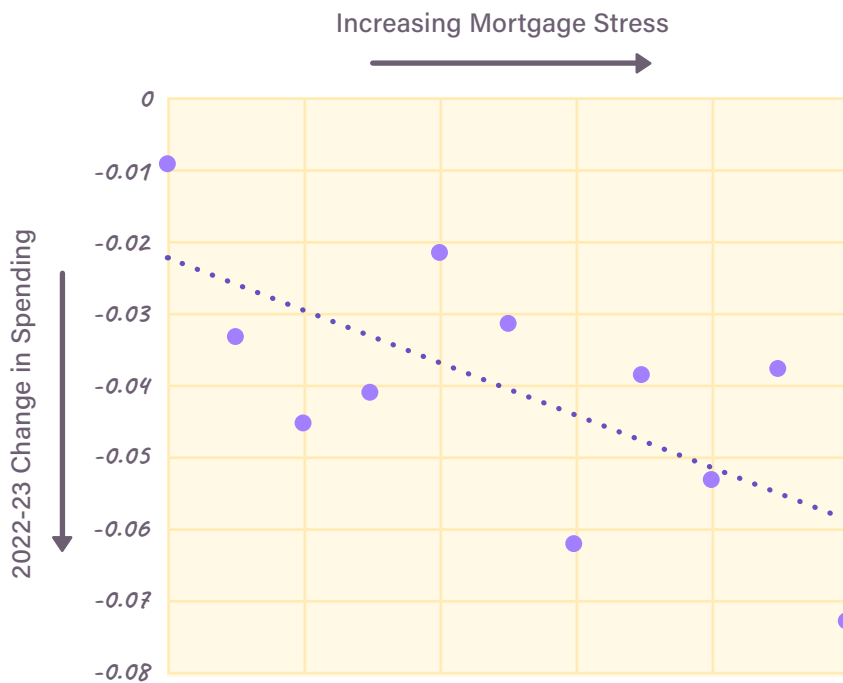


Nearly half of Australians expect a recession, a view that has become more prevalent compared to previous years. However, this percentage is considerably lower than in the United Kingdom (69%) and the United States (65%), indicating Australia's relatively more positive economic environment.

Despite this, the increasing inflation and rising cost-of-living are exerting significant pressure on consumers and shift workers. These financial concerns are leading to notable changes in consumer behaviour, more so than concerns about a potential recession.

Spending Trends and Mortgage Stress by Australian Suburbs, 2022-23

Source: Internal Research, Geografia (2023)

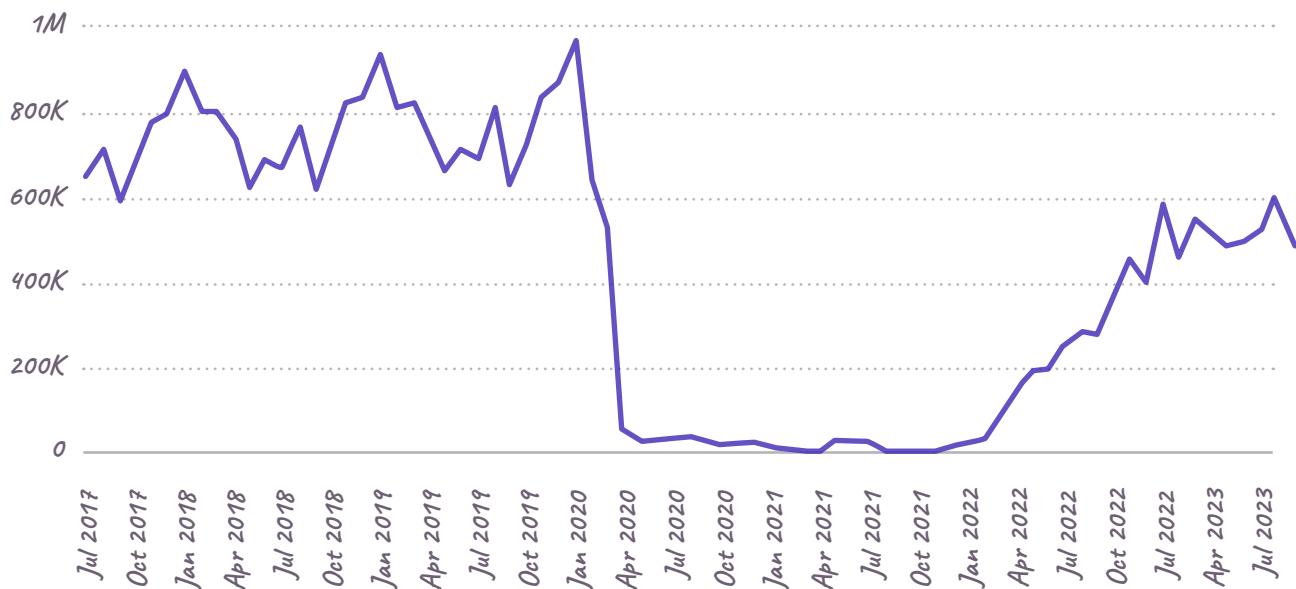


Our research highlights that Australian suburbs are facing high levels of mortgage stress, accompanied by declining spending levels. Suburbs characterised by debt-burdened families and younger first-home buyers are notably reducing their spending. In contrast, suburbs with wealthier residents and fully-paid property owners are continuing to see spending increases.

As the cost-of-living burden intensifies, there is a noticeable decrease in consumer spending on large ticket items such as home furniture, luxury purchases, and travel. Travel patterns have seen a significant reduction from pre-pandemic levels. Even with the reopening of borders, the recovery in travel stalled in 2023. This has led to a substantial travel experience deficit in the Australian consumer market, prompting consumers to divert their spending towards more affordable and local leisure activities, such as hospitality, dining, and local accommodation options like staycations.

No. of Australians Travelling Overseas

Source: ABS (2023)



This shift in consumer spending is evident in the trends observed in the Hospitality sector, which has shown remarkable resilience in 2023. The sector continues to benefit from the trend of consumers opting for local and more affordable leisure experiences.

Shift Pulse insights reveal in 2023, shift workers exhibit a generally more positive outlook compared to previous years. Despite this overall trend, the data also indicates that adverse economic and political developments have a tangible short-term impact on worker sentiment.

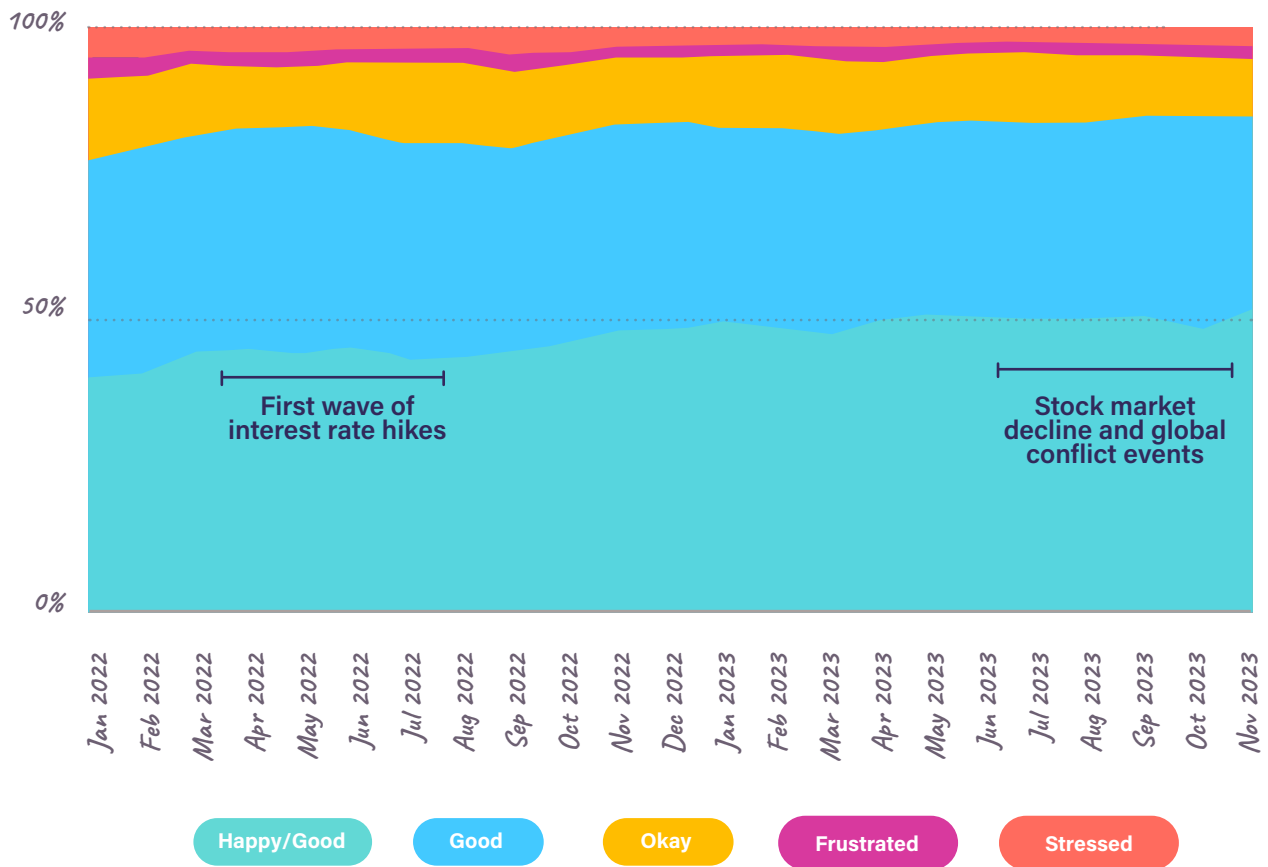
According to Deputy data, there have been notable fluctuations in sentiment correlating with specific events:

- **There was a temporary decline in sentiment following the onset of rising inflation and the initial phase of interest rate hikes.**
- **Since August 2023, a further decline in sentiment has been observed. This downturn is potentially linked to increased economic uncertainty and the conflict events in Ukraine and the Middle East.**

These insights underscore the responsiveness of shift worker sentiment to broader economic and geopolitical events, reflecting the interconnected nature of global issues and individual worker morale.

Shift Pulse Sentiment by Retail

Source: Deputy Shift Pulse Data (2023)

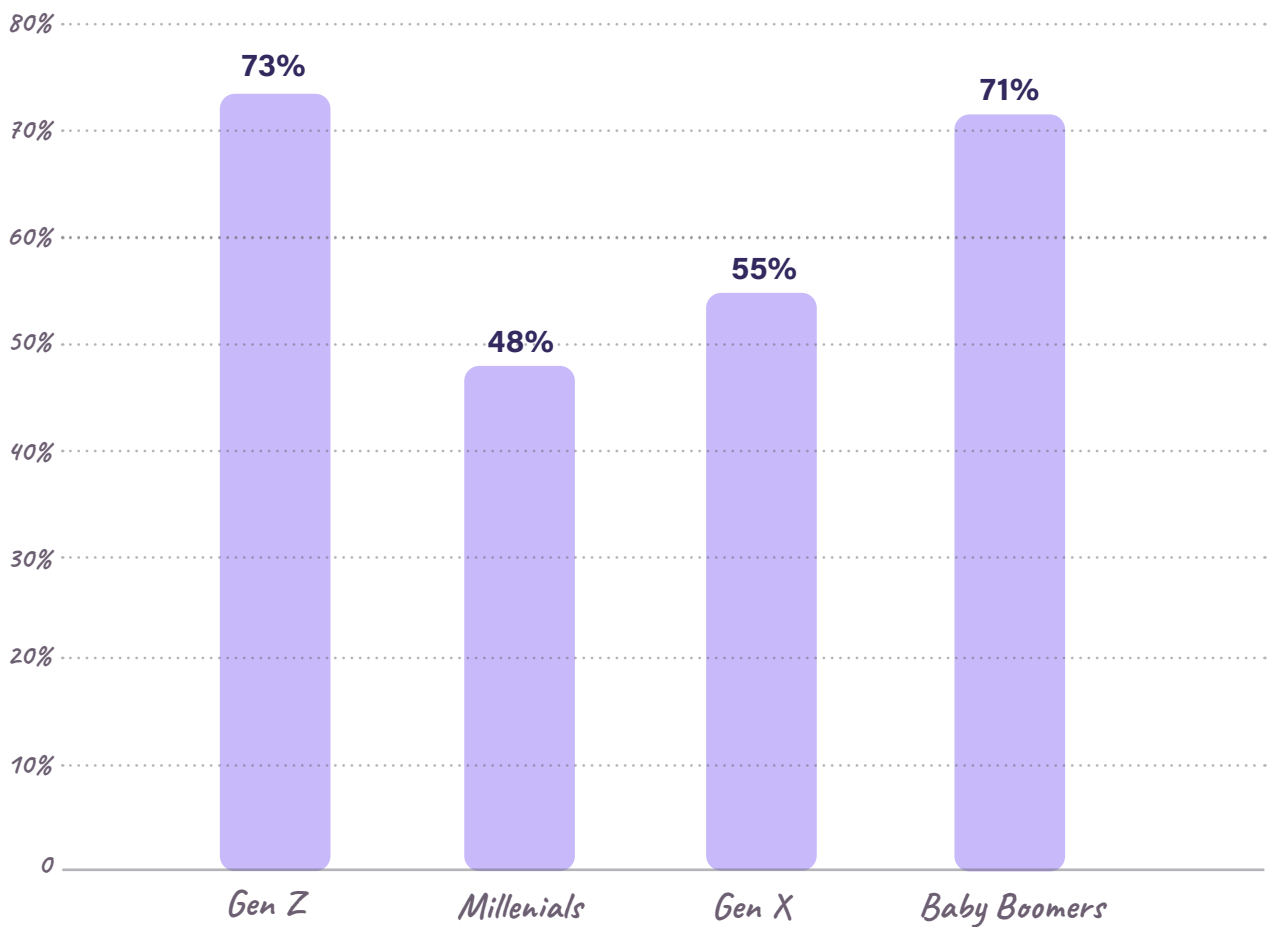


Deputy data indicates cost pressures in Australia are impacting shift workers across all age groups, with both the youngest (Gen Z) and the oldest (Baby Boomers) feeling their pay is not keeping pace with inflation and the rising cost of living. A closer analysis reveals when factors like occupation and income levels are controlled for, older Australian workers are affected by cost-of-living burdens to the same extent as younger workers.

These financial pressures are influencing job choices among the youngest and oldest workers, with a notable number looking to leave their current jobs for positions offering better pay conditions. Overall, 23% of Australian shift workers are contemplating quitting their job. The trend is most pronounced among Gen Z workers, with nearly 35% considering switching to new jobs or industries, followed by 17% of Baby Boomers. This trend is closely linked to the cost-of-living challenges faced by these generations.

Share of Workers Who Feel Their Pay has Not Kept Up with Inflation

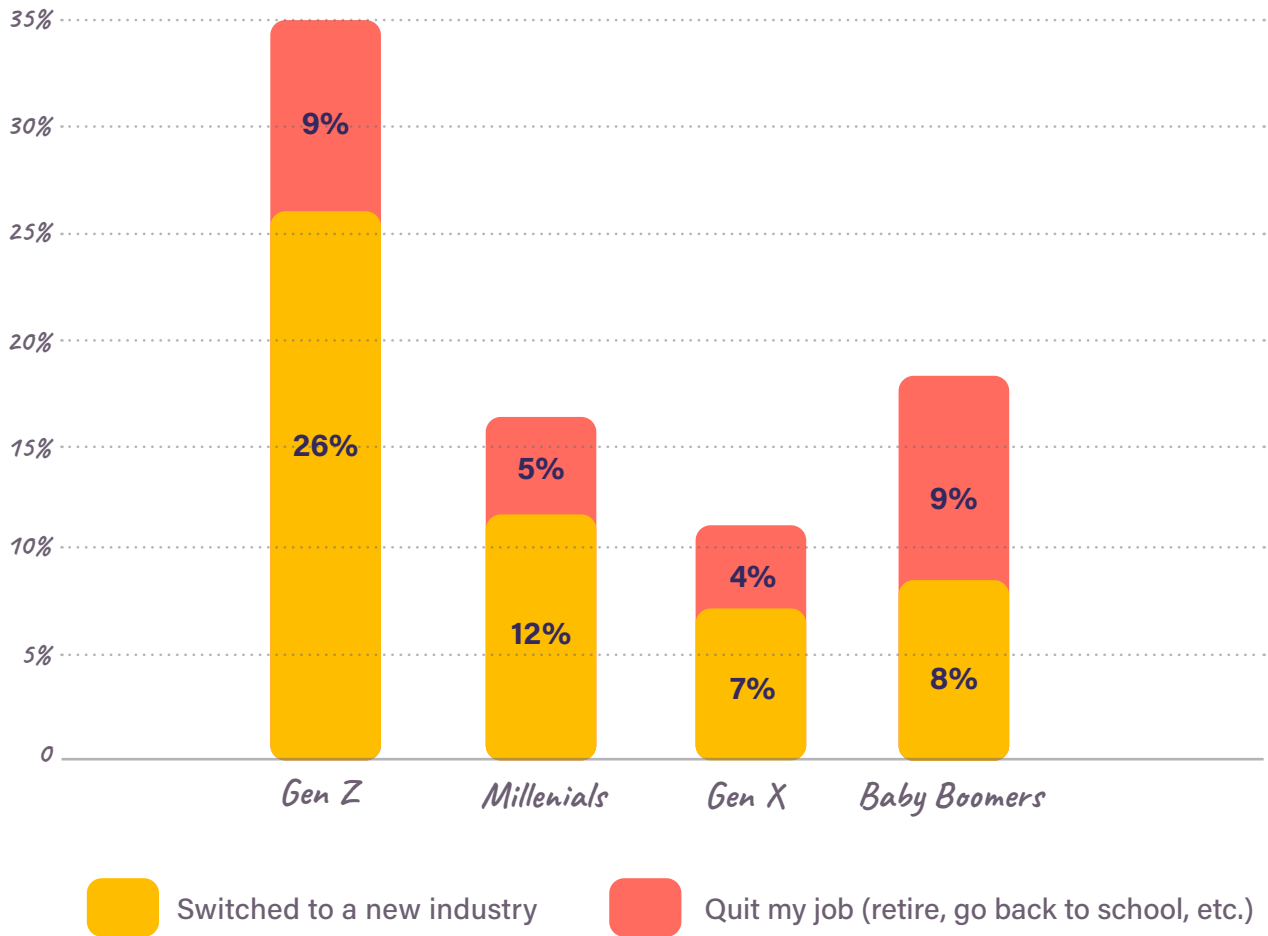
Source: Deputy State of the Shiftwork Survey (2023)



In terms of industry-specific impacts, Retail and Hospitality are the most vulnerable to this resignation trend. In Retail, 29% of employees are looking to quit, while in Hospitality, the figure stands at 21%.

Percentage of Total Workers by Generation

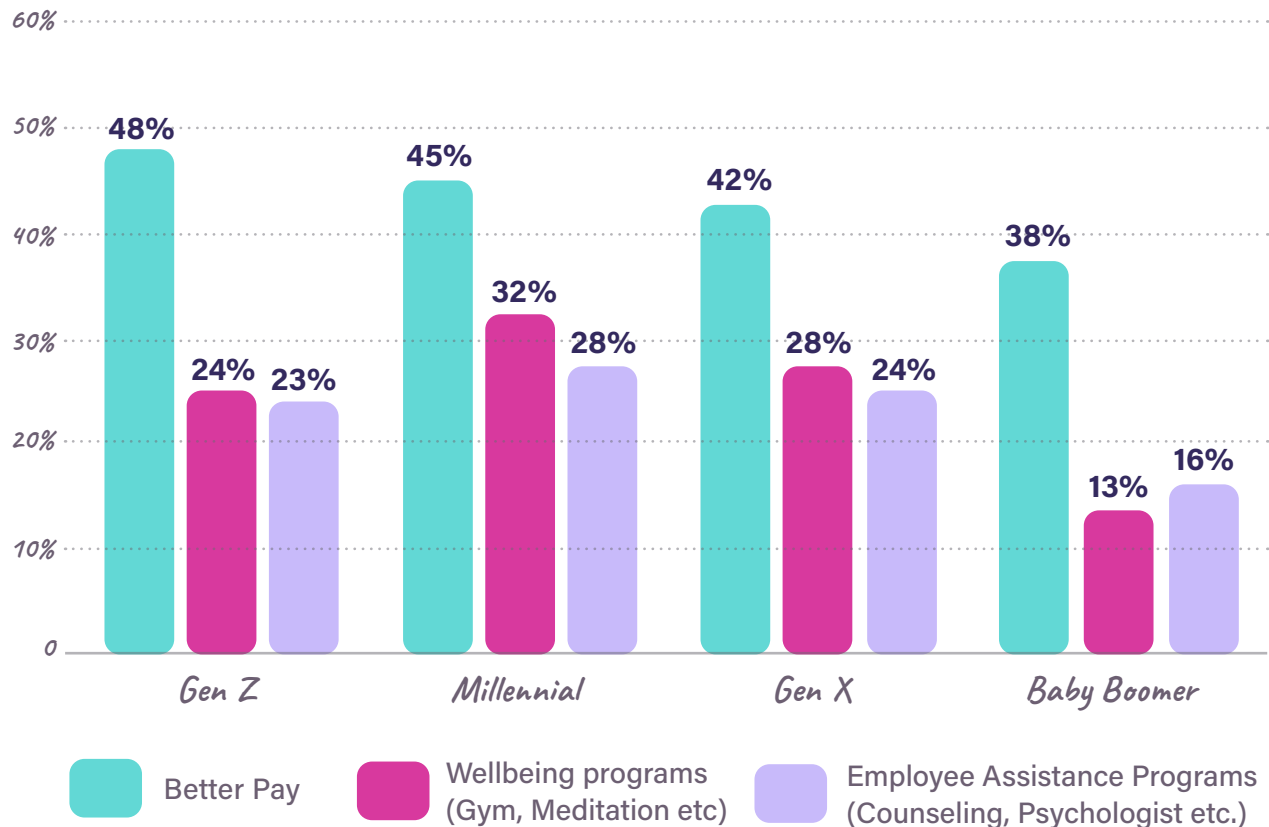
Source: Deputy State of Shift Work Survey (2023)



Across all industries and generations, “better pay” has been identified as the most desired benefit among shift workers, highlighting cost-of-living as a critical issue. Additionally, nearly a third of Millennials are seeking support for mental health and well-being improvements, with 32% looking for well-being programs and 28% for access to counselling services. This emphasis on mental health and well-being is significant, suggesting employers who prioritise these aspects are likely to attract and retain talent in the tight labour market conditions prevalent in Australia.

Employee Benefits Sought by Generation (%)

Source: Deputy State Of Shift Work Survey (2023)

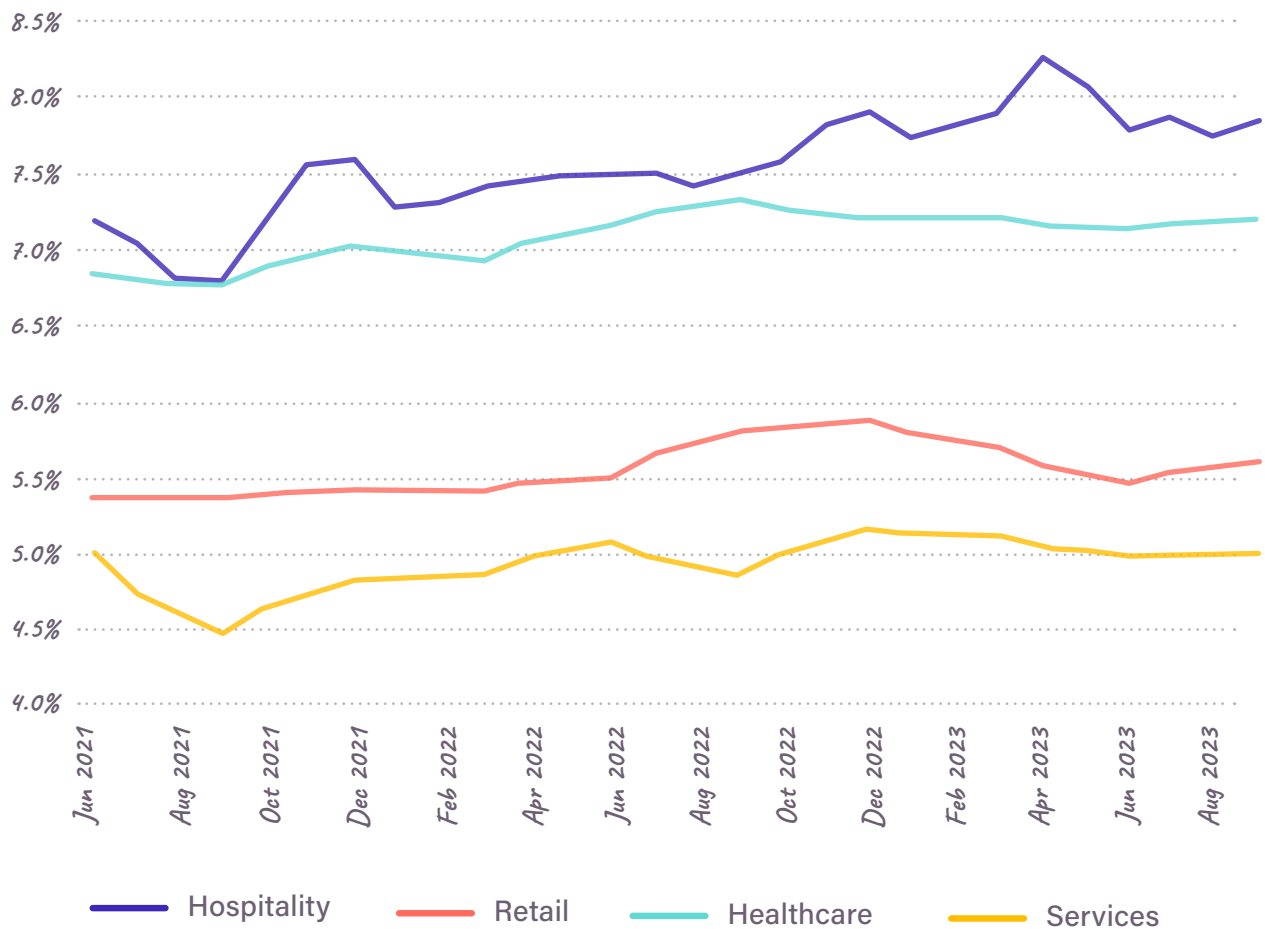


The concept of poly-employment, which refers to workers holding multiple jobs simultaneously, has seen a significant increase in Australia in 2023. The rate of poly-employment reached a historical high of 6.7% of the workforce, the highest since the measure began being recorded in 1994.

Industry-specific analysis, using Deputy data at a monthly level, indicates that poly-employment is prevalent across all major industries, with each experiencing 25-year highs in the proportion of workers engaged in multiple jobs. The Hospitality sector leads this trend, with 7.8% of its workers holding multiple jobs, followed by Healthcare at 7.2%, and Retail at 5.6%. Even in the Services industry, traditionally characterised by workers holding single jobs, there has been a notable increase, with multi-job holders now constituting 5% of its workforce.

Share of Workers with Multi-Jobs by Industry

Source: Monthly multi-job rate by industry modelled by Geografia (2023) using Deputy (2023) and ABS Labour Force (2023) datasets



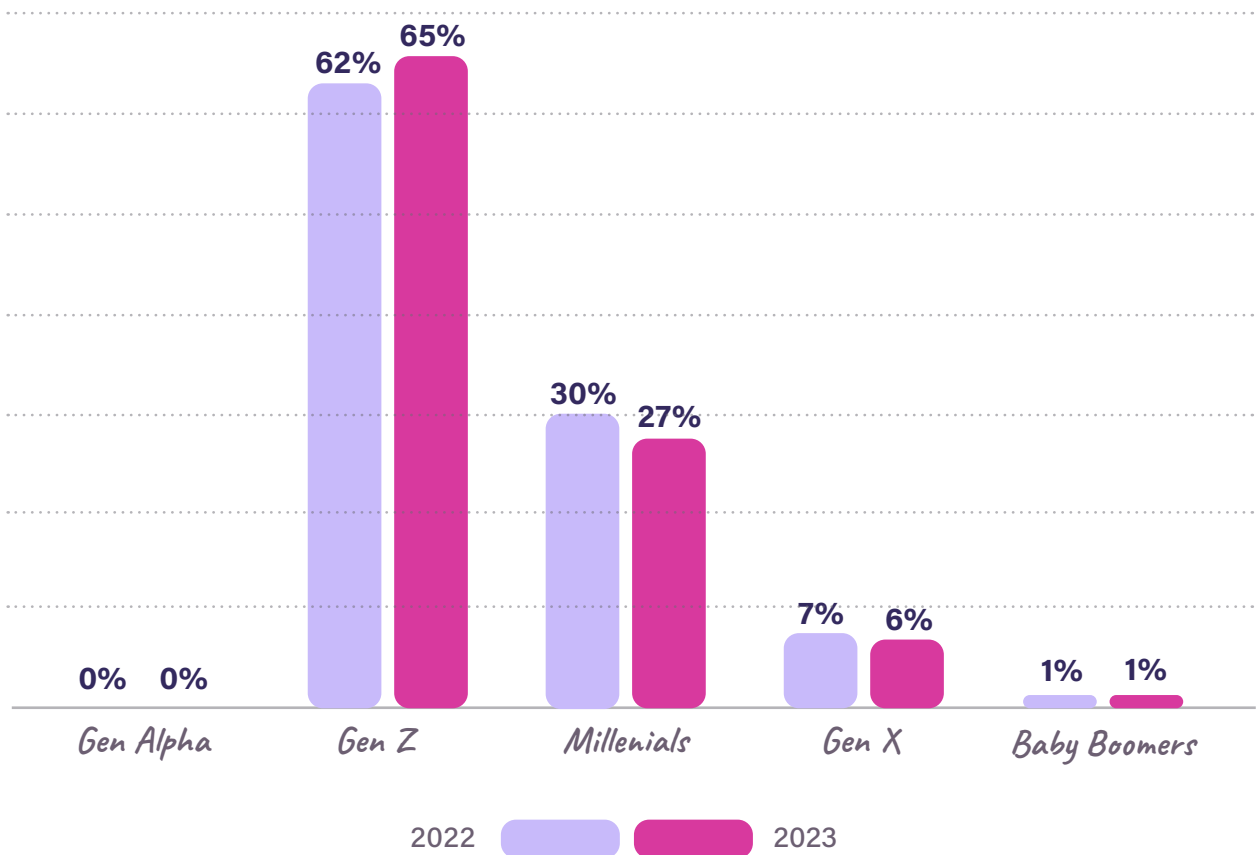
Further analysis of Deputy data reveals the majority of multi-job holders are young, female shift workers. Females represent 58% of this group, with a significant portion coming from Gen Z (65%), followed by Millennials (27%). Notably, 48% of multi-job holders are engaged in jobs across multiple industries. The most common combinations of job holdings are as follows:

- **8.5% of multi-job holders work in both the Hospitality and Services industries.**
- **6% combine jobs in Hospitality and Retail.**
- **2.3% hold jobs in both Hospitality and Healthcare.**

This trend of poly-employment, particularly among younger female workers, underscores the shifting dynamics in the Australian labour market, influenced by the need for better pay and the rising cost-of-living burdens.

Multi-Job Holders by Generation, 2022 and 2023

Source: Monthly Multi-Job Rate by Industry modelled by Geografia using Deputy (2023) and ABS Labour Force (2023) datasets



The experience of the average Australian worker with economic recessions has been limited, especially among younger workers who have entered the workforce during periods marked by significant technological advancements and their impact on job futures:

- **Millennials began their careers during the Global Financial Crisis (GFC), a period that also saw the widespread adoption of automation technologies. This technological shift predominantly affected blue-collar jobs and other occupations susceptible to automation.**
- **Generation Z started working during the COVID-19 Pandemic, a time that is now coinciding with the emergence of Artificial Intelligence (AI). AI is anticipated to have a broad impact, including on white-collar jobs.**

As a result of these technological trends, many shift workers across various industries are contemplating the future of work and how it might affect their roles:

- **In the Retail sector, 67% of workers believe AI will bring changes to their jobs.**
- **In Healthcare, the figure stands at 63%, indicating a significant expectation of AI-induced changes.**
- **In Hospitality, 55% of workers anticipate their jobs will be influenced by AI.**

These statistics reflect a widespread awareness among shift workers of the potential implications of advancing technologies, especially AI, on their current and future job roles.

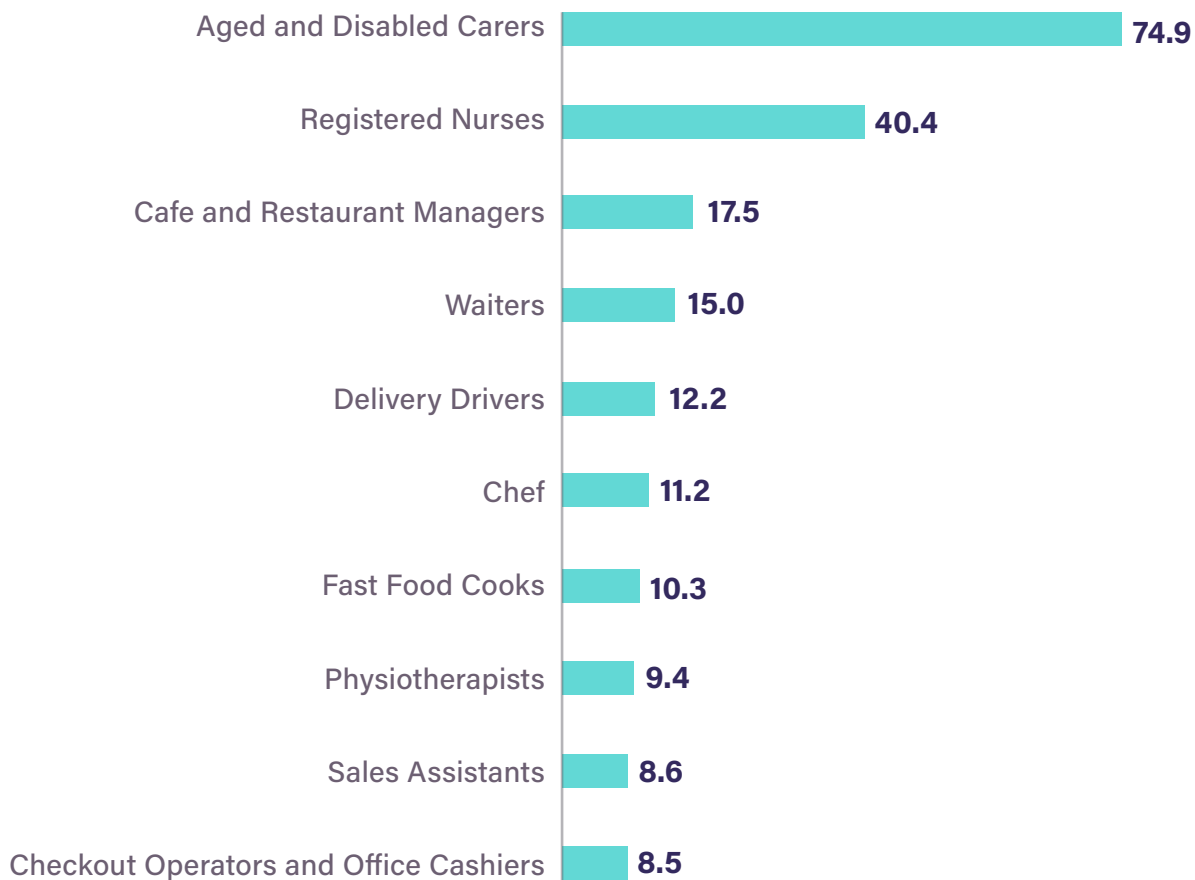
In the context of the Australian labour market, population growth and migration trends are anticipated to be key drivers of job creation, potentially balancing out job losses caused by labour-replacing automation technologies.

The sectors of Healthcare and Services are expected to lead this job growth over the next five years. Specifically, the demand for Carers is projected to increase by 74,900 positions, and for Nurses by 40,400 positions. This growth is largely attributed to an ageing population and the enhanced funding support provided by the National Disability Insurance Scheme (NDIS).

In the Hospitality and Retail sectors, there is no current expectation automation technologies will result in net job losses. These sectors are likely to see a substantial growth in consumer markets, which will, in turn, increase the demand for jobs even in roles considered vulnerable to automation. For example, the number of Fast Food Chefs is expected to grow by 10,300 jobs, and Cashiers by 8,500 jobs.

Top 10 Shift Work Occupations by Job Gains in 5 years

Source: Department of Employment (2023)

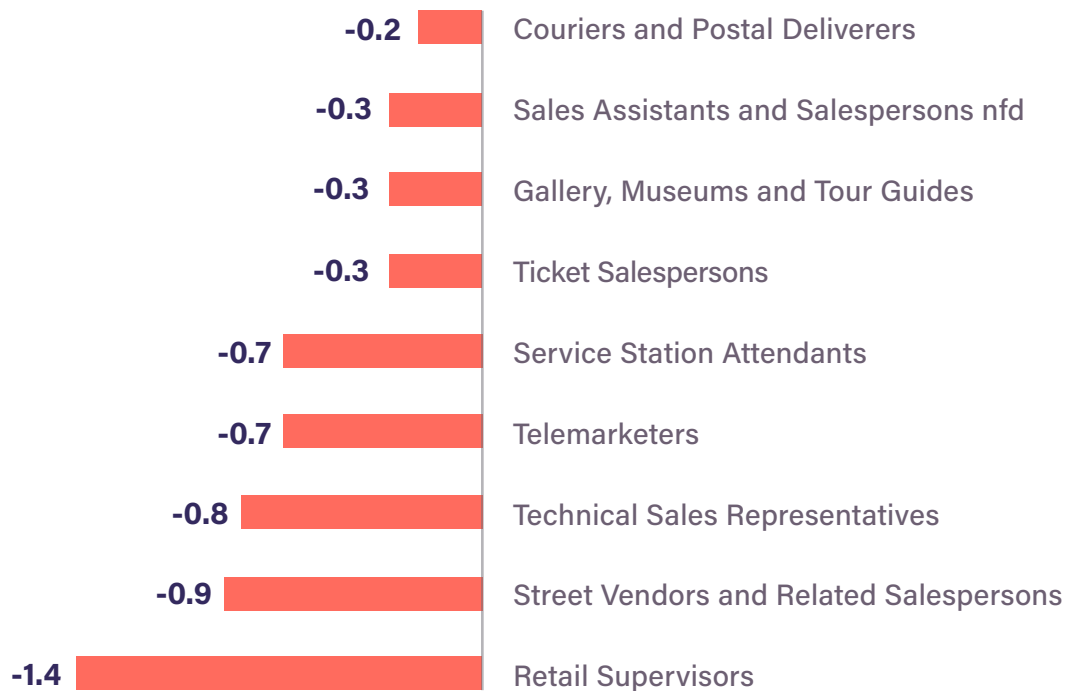


However, certain sectors are predicted to face job declines, primarily in more specialised occupations. These include Gallery and Museum Tour Guides, with an anticipated loss of 300 jobs, Service Station Attendants (-700 jobs), and Telemarketers (-700 jobs).

In the Retail sector, especially among supervisor roles, the largest job losses are forecasted. Over the next five years, this sector could see a reduction of 1,400 jobs. This decline is primarily driven by the adoption of job scheduling technologies, which are expected to replace manual scheduling tasks. This trend highlights the evolving nature of the labour market in Australia, where technological advancements are reshaping job availability and requirements across various industries.

Bottom 10 Shift Work Occupations by Job Losses ('000s)

Source: Department of Employment (2023)



The evolving landscape of technology and market design presents several opportunities to enhance labour markets. Advancements in these areas are set to bring about significant improvements in job scheduling and the overall functioning of labour markets.

Companies are increasingly able to forecast sales and revenue over more specific time frames. This enhanced forecasting capability is expected to lead to more effective job scheduling, which in turn could improve the reliability of work hours and potentially increase job opportunities.

In the realm of automation and algorithm ranking, there is a clear trend towards improving the efficiency of roster schedules. Many sectors, such as healthcare, still rely on the manual preparation of these schedules. The introduction of automation in this process is set to streamline scheduling, enhancing efficiency and possibly creating more job opportunities.

AI-supported applications are poised to boost the productivity of job-seekers significantly. This development is particularly beneficial for time-poor potential workers, such as young mothers or individuals with adult-care responsibilities. Improvements in matching algorithms on job search applications are expected to enhance job opportunities, benefiting both employees and employers in Australia.

However, it's important to note some jobs may face risks due to automation and AI. In extreme scenarios, these technologies could potentially exacerbate income and wealth inequality. To mitigate such negative effects, it is crucial to ensure AI and automation technologies are leveraged to benefit shift workers and the wider workforce. This approach involves aligning technological advancements with the needs and well-being of workers, ensuring that the benefits of these technologies are distributed equitably across the labour market.

Bar Milano, Sydney ↘

Aperit



BIG SHIFT REPORT

Hospitality

04

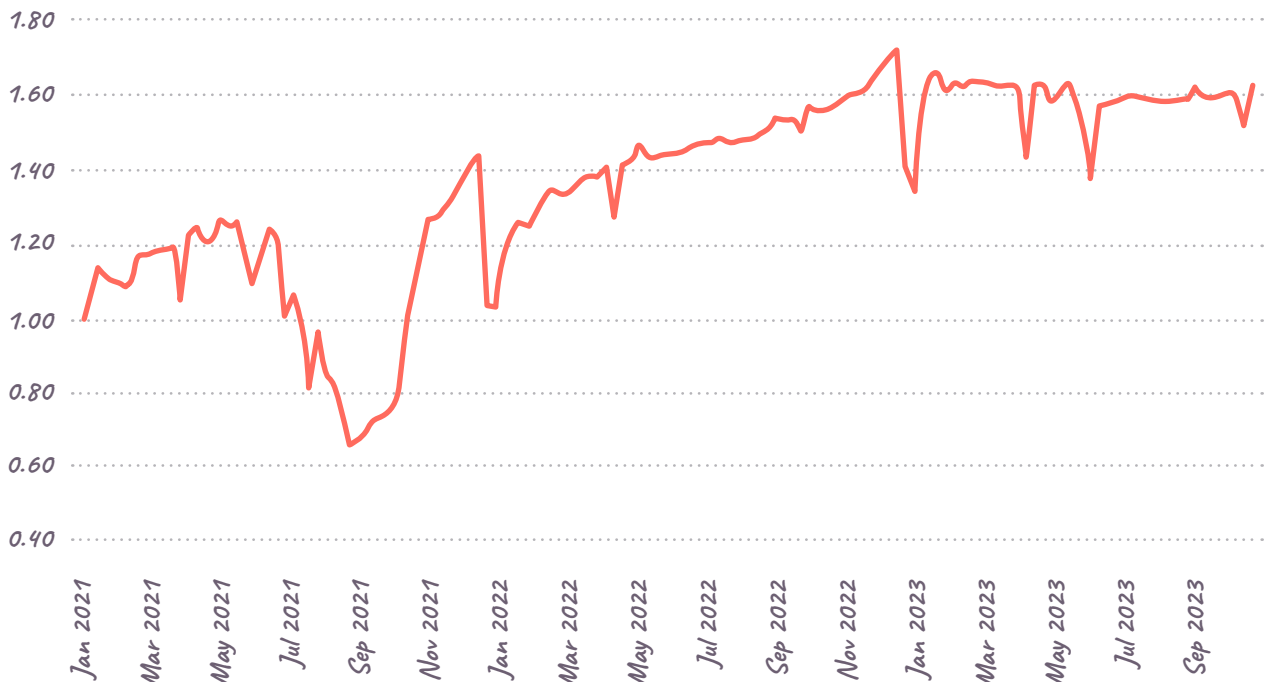
Hospitality in Transition: Multi-job Trends, Tech Integration and the Night Time Economy

In the context of employment growth in Australia, the Hospitality sector has been a leading industry. It has experienced a 60% increase in shift work hours compared to January 2021. Despite observing slight declines in 2023, the sector has shown signs of recovery in recent months. Currently, employment in Hospitality is 2% higher than at the beginning of the year.

This trend is indicative of the broader pattern in consumer spending, which has experienced a slowdown. The initial decline followed by recent gains in the Hospitality sector can be seen as a response to these changing patterns in consumer expenditure.

Job Trends in Hospitality

Source: Indexed to Week Beginning 4-Jan-21 Deputy (2023)



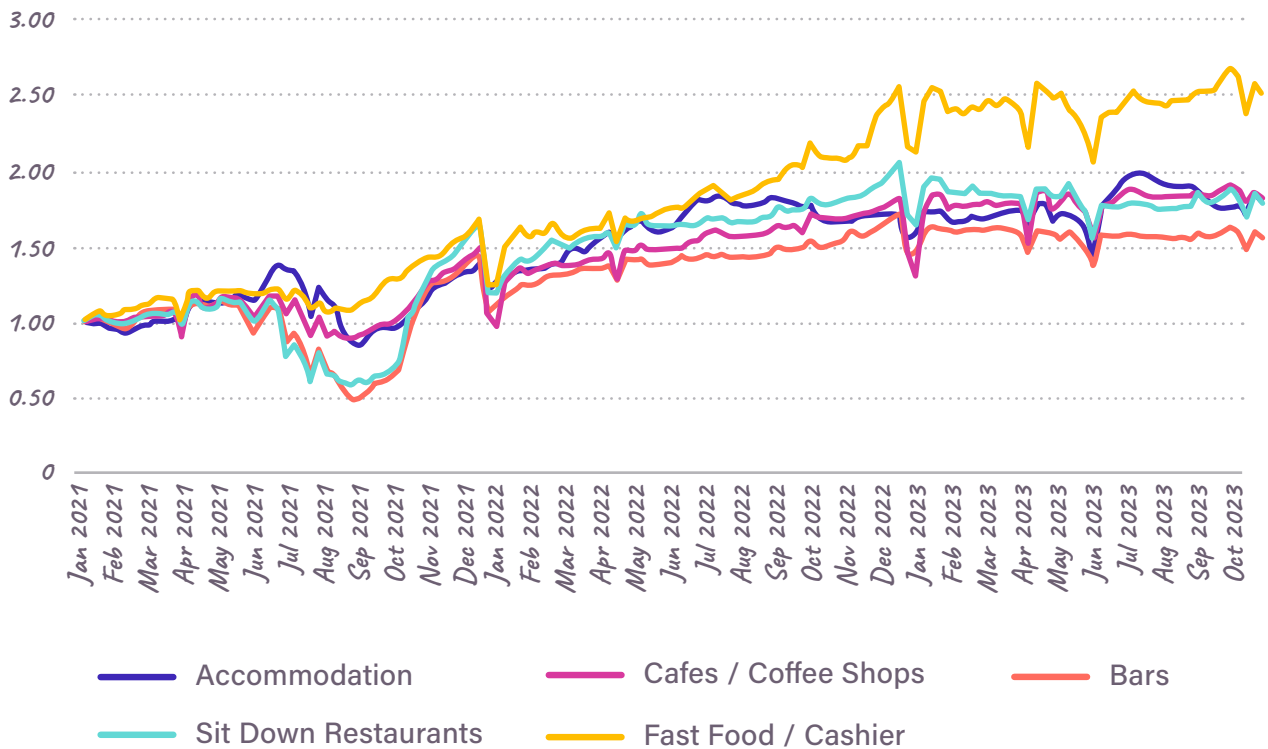
The Hospitality sector has seen notable job growth in specific segments, particularly in Fast Food and Cashier Restaurants. Between 2021 and 2023, employment in these areas doubled, as detailed in the overleaf section. This growth can be attributed to a shift in consumer spending towards more affordable dining options, including fast food.

While these segments have thrived, employment in the other industries within the Hospitality sector has remained relatively stable throughout 2023.

On the other hand, Bars have experienced limited, and at times negative, growth in the latter half of 2023. This trend is a reflection of the persistent difficulties in stimulating economic activity in Central Business District (CBD) locations, where many establishments in this category are situated. This indicates a disparity in growth within the sector, heavily influenced by location and consumer spending habits.

Deputy Job Index - Hospitality Sectors

Source: Indexed to Week beginning 4-Jan-21 using Deputy (2023)

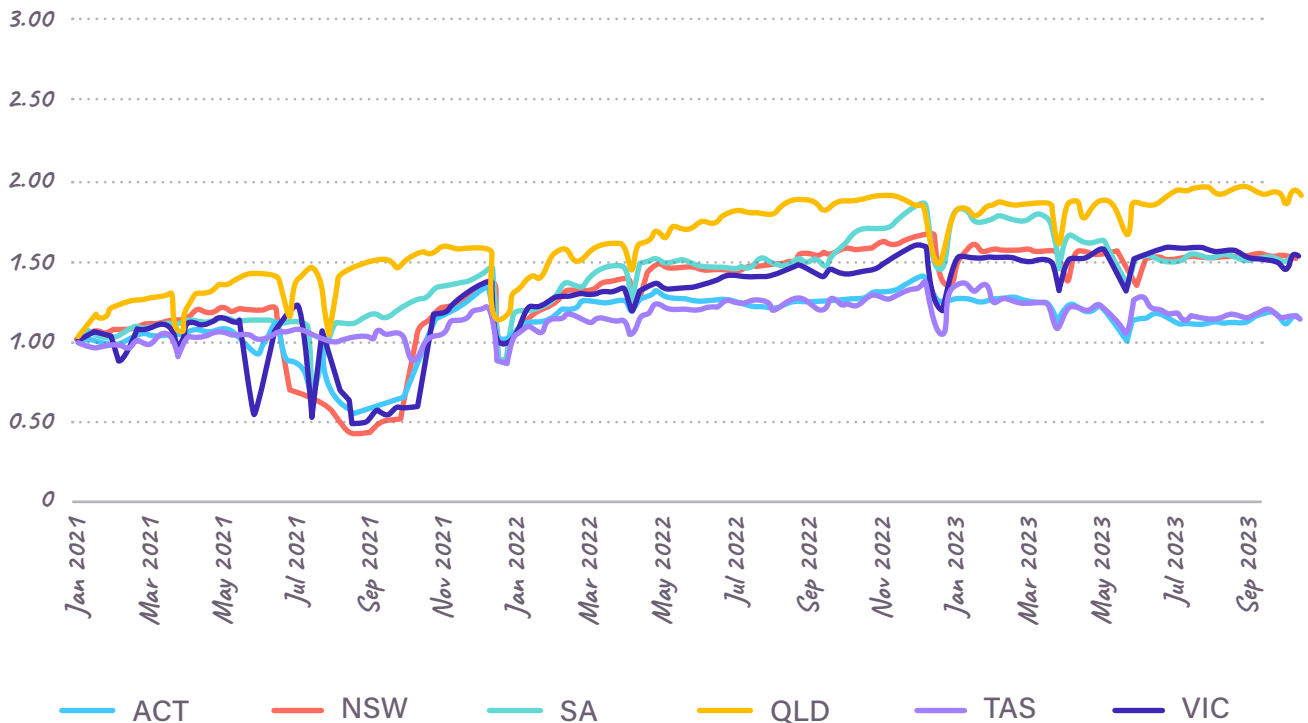


In 2023, the Hospitality sector in major markets of New South Wales (NSW) and Victoria (VIC) experienced modest or stagnant job growth. This trend aligns with the earlier observation that these states are significantly impacted by cost-of-living pressures, rising mortgage costs, and general challenges in housing affordability.

In contrast, Queensland (QLD) was the sole state to record employment growth in the Hospitality sector during 2023. The data indicates that QLD is positioned to spearhead national economic growth in the Hospitality industry in 2024. This differential in state-by-state performance highlights the varying economic conditions across regions and their impact on sector-specific employment trends.

Deputy Job Index by Major States

Source: Hospitality industry Indexed to Jan-21 using Deputy (2023)

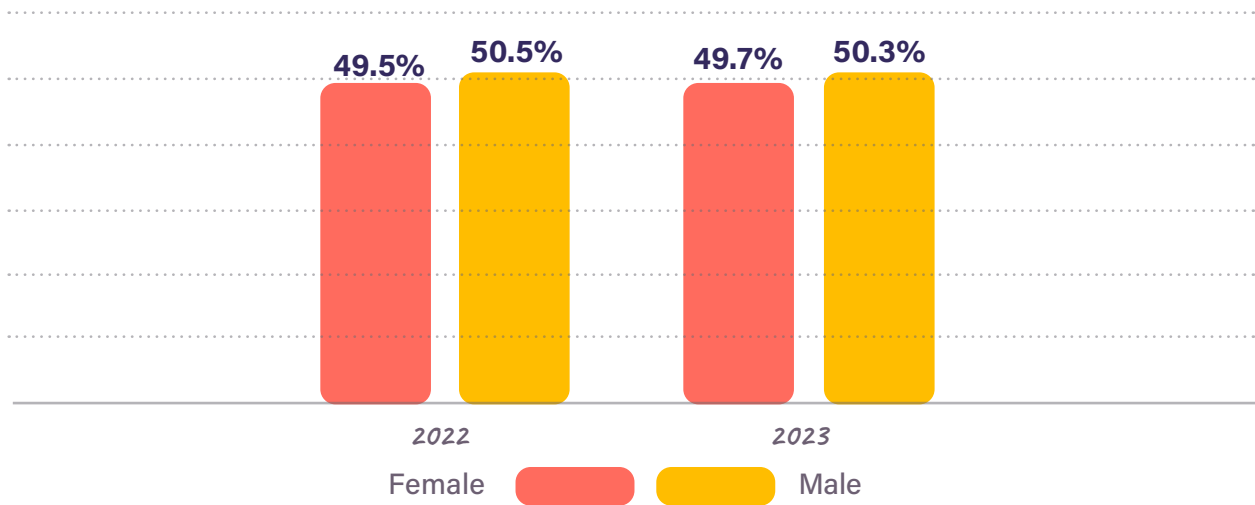


The distribution of shift work hours in the Hospitality sector shows a near-even split between genders. In 2023, women accounted for 49.7% of shift work hours in this sector, a slight rise from 49.5% in 2022. This data indicates the share of shift work hours between men and women in the Hospitality industry is relatively balanced.

Furthermore, Deputy data reveals the recent slowing in job growth within the Hospitality sector has not disproportionately affected one gender over the other. This suggests the slowdown in job growth has been evenly distributed across both male and female workers in the industry.

Share of Employment by Gender

Source: Deputy (2023) and US Bureau of Labor (2023) de-seasonalized data



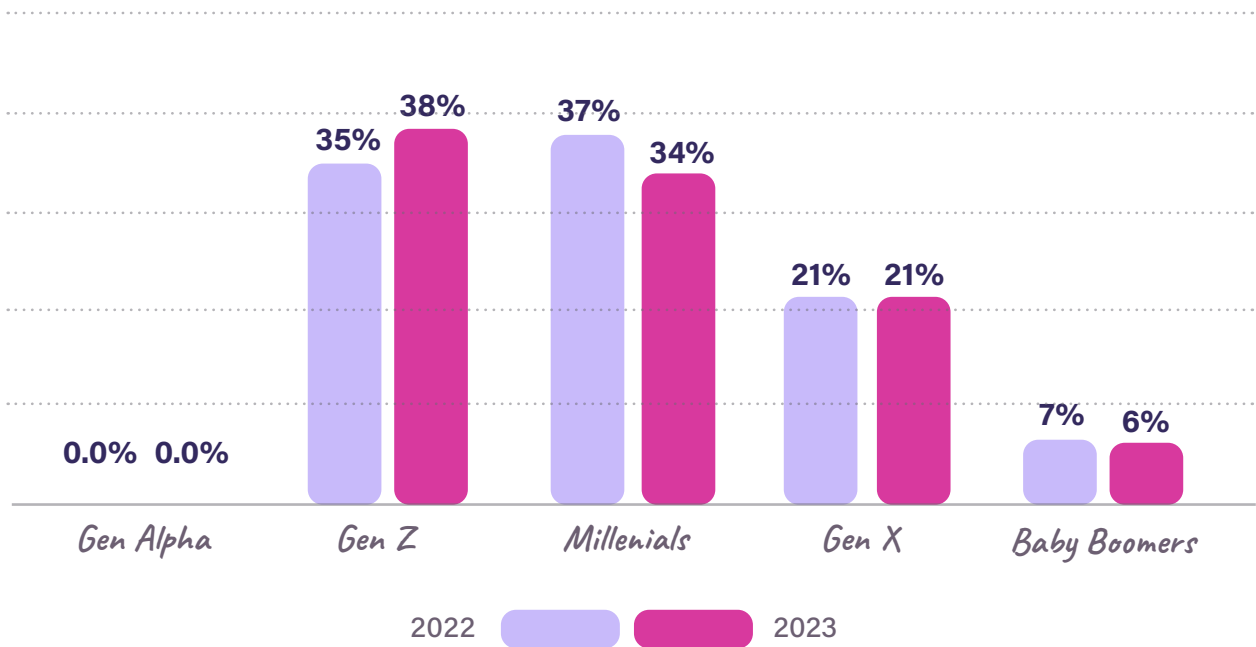
In the Hospitality sector, there has been a shift in the generational composition of the workforce. Generation Z has now surpassed Millennials, representing the largest generational group with 38% of shift work hours. Conversely, Millennials continue to form the majority in the Services sector.

Deputy data further highlights a decline in the participation of Baby Boomers in the Hospitality industry, decreasing from 7% to 6% of total shift work hours in 2023. This shift indicates changing demographics within the sector.

Additionally, the Hospitality industry is beginning to see the involvement of Generation Alpha, albeit still in a very nascent stage. Currently, Generation Alpha constitutes less than 0.1% of total shift work hours. Members of this new generation are primarily entering the workforce through first jobs in Cafés, Bars/Pubs, and Sit Down Restaurants, marking the early stages of their participation in the labour market.

Share of Employment by Generation

Source: Deputy (2023) and US Bureau of Labor (2023) de-seasonalized data



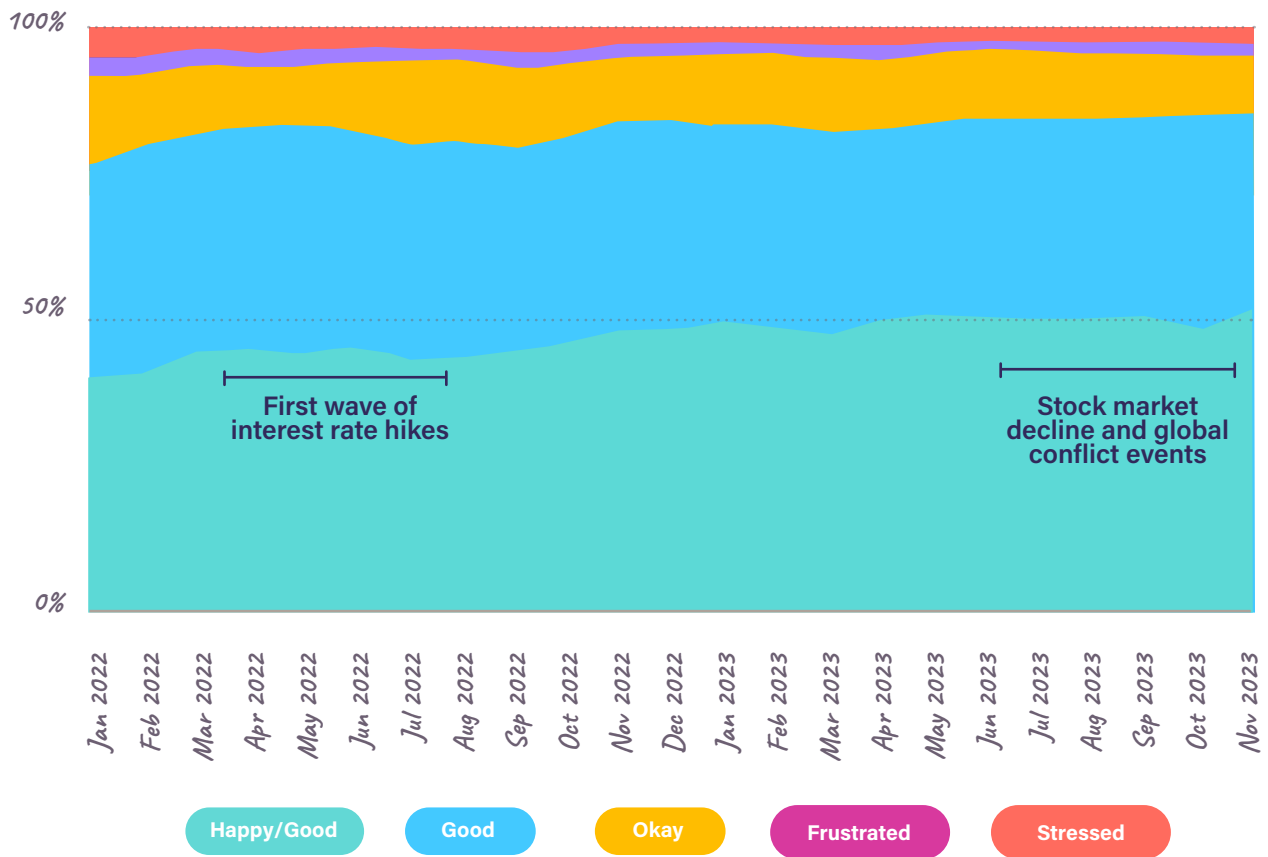
Shift Pulse insights reveal in 2023, the overall sentiment among shift workers is more positive compared to previous years. However, it is evident negative economic and political developments have a tangible short-term impact on worker sentiment.

Deputy data provides specific insights into these fluctuations:

- **There was a noticeable temporary decline in sentiment following the onset of rising inflation and the initial phase of interest rate hikes.**
- **Additionally, since August 2023, there has been a further decline in sentiment.** This downturn is potentially linked to increased economic uncertainty and the conflict events in Ukraine and the Middle East.
- **These trends indicate while the general outlook among shift workers has improved in 2023,** external economic and geopolitical factors continue to have a significant and immediate impact on their sentiments.

Shift Pulse Sentiment by Hospitality

Source: Deputy Shift Pulse Data (2023)



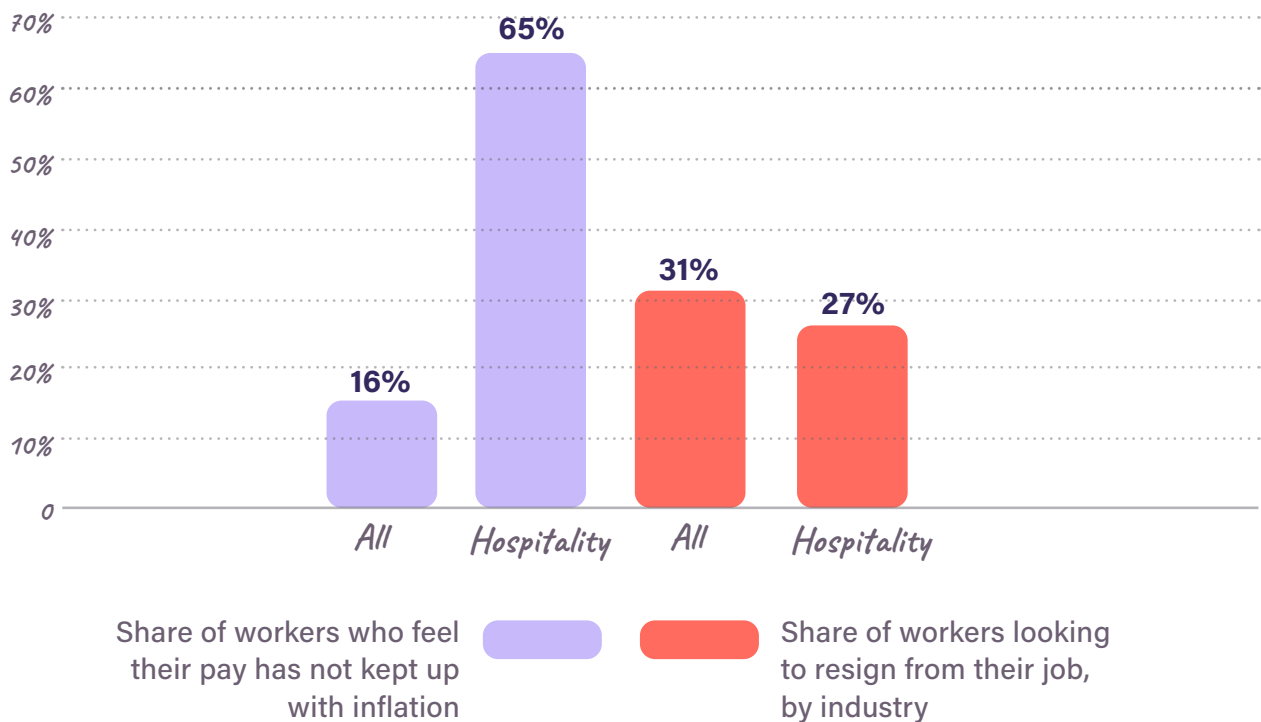
According to Deputy data, a substantial 65% of workers in the Hospitality sector believe their pay has not kept pace with inflation. This percentage is notably higher compared to the broader Australian workforce, where only 16% feel the same.

Furthermore, 27% of workers in the Hospitality industry are considering resigning from their current jobs, often in pursuit of better-paying opportunities. Although this figure is significant, it is still lower than the industry averages, where 31% of workers across various sectors are looking to leave their roles.

In response to these challenges, particularly the rising cost-of-living, Hospitality workers are increasingly opting to take on multiple jobs. This trend indicates a strategy employed by these workers to manage financial pressures in the current economic climate.

Hospitality Shift Workers Sentiment

Source: Deputy State of the Shiftwork Survey (2023)

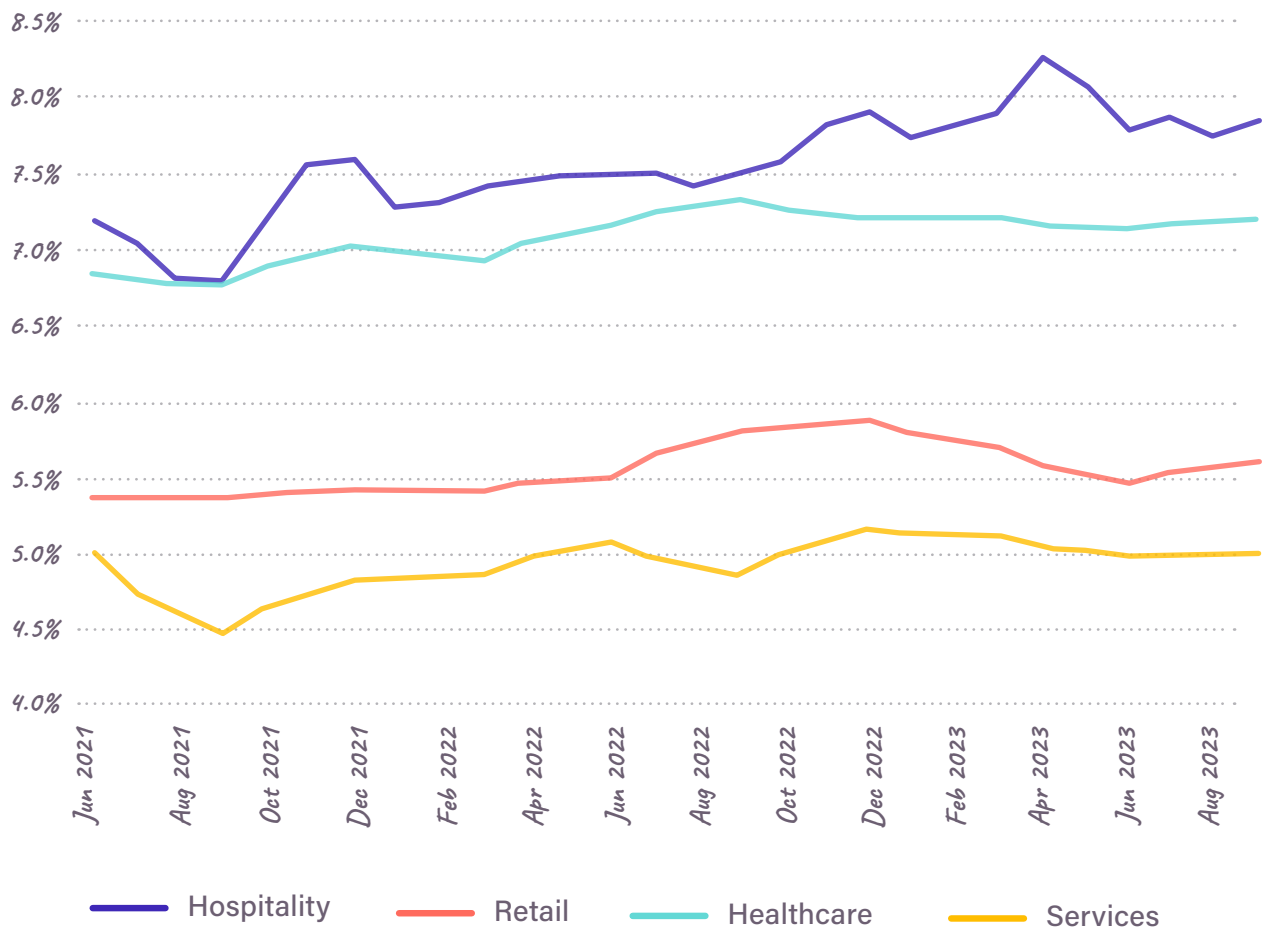


The analysis of shift work industries reveals the Hospitality sector has the highest rate of workers holding multiple jobs. Approximately 8% of all workers in the Hospitality industry are engaged in multiple jobs, a figure that represents a 25-year high since this data began being recorded in the 1990s.

A notable aspect of this multi-job trend is over half of these workers are not just working multiple jobs within the Hospitality industry but are also employed across various other industries, including Services and Retail. This pattern aligns with the increasing cost-of-living pressures, suggesting workers are taking on additional jobs as a means to manage their financial needs more effectively. This trend underscores the impact of economic conditions on employment patterns within the Hospitality sector and beyond.

Share of Workers with Multi-Jobs by Industry

Source: Monthly multi-job rate by industry modelled by Geografia (2023) using Deputy (2023) and ABS Labour Force (2023) datasets



In the Hospitality sector, 55% of workers believe AI will impact their jobs.

Despite these concerns, job vacancies in the Hospitality sector remain at historically high levels. As of late 2023, there were still 41,400 vacant jobs in this sector, indicating potential for growth, although possibly at a slower rate than previously experienced.

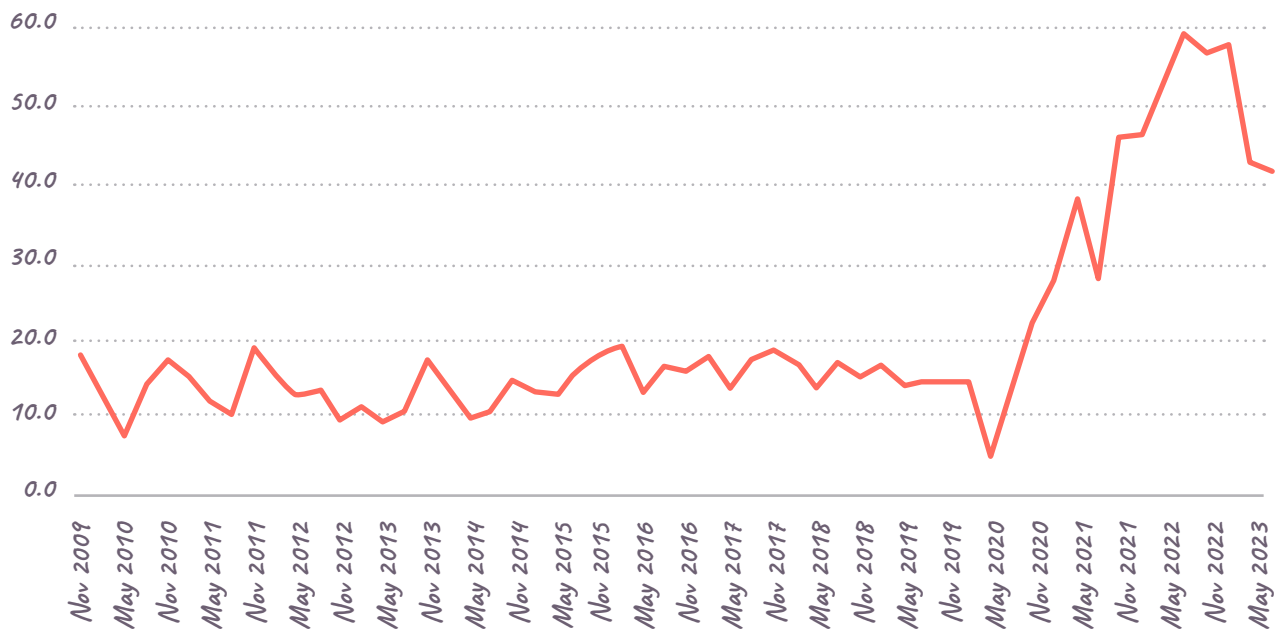
Looking ahead to 2024, job growth in the Hospitality sector is projected to decline as the economy softens, influenced by factors such as interest rates and inflation. However, these declines may be mitigated by the Australian travel deficit. Australians are anticipated to redirect their spending towards affordable local dining and entertainment options, including staycations, benefiting the Hospitality industry.

Hospitality industries, particularly in CBD areas, may also see positive impacts from increased government efforts to stimulate the night-time economy. Additionally, fast food restaurants are expected to experience growth in 2024 as they tend to attract price-sensitive consumers during economic slowdowns.

In Queensland, and to some extent Western Australia (WA), the Hospitality sector may witness growth in 2024. This growth is anticipated to be driven by a combination of factors including commodity-led economic expansion, infrastructure spending, and a shift in domestic tourism trends. The latter is influenced by households opting for local travel options over overseas plans. This constellation of factors suggests a complex and evolving landscape for the Hospitality sector in Australia, shaped by both economic conditions and consumer behaviour.

Total Number of Jobs Vacant

Source: ABS Labour Force, 2023



The medium-term outlook for employment within the Hospitality industry in Australia appears promising. Within the industry, four occupations rank among the top ten for job growth across the country. While some of these roles, particularly fast-food cooks and cashiers, are susceptible to automation, the expected expansion in Australian consumer markets is anticipated to create more new jobs than those lost to automation. This trend indicates a net positive growth in employment within the sector.

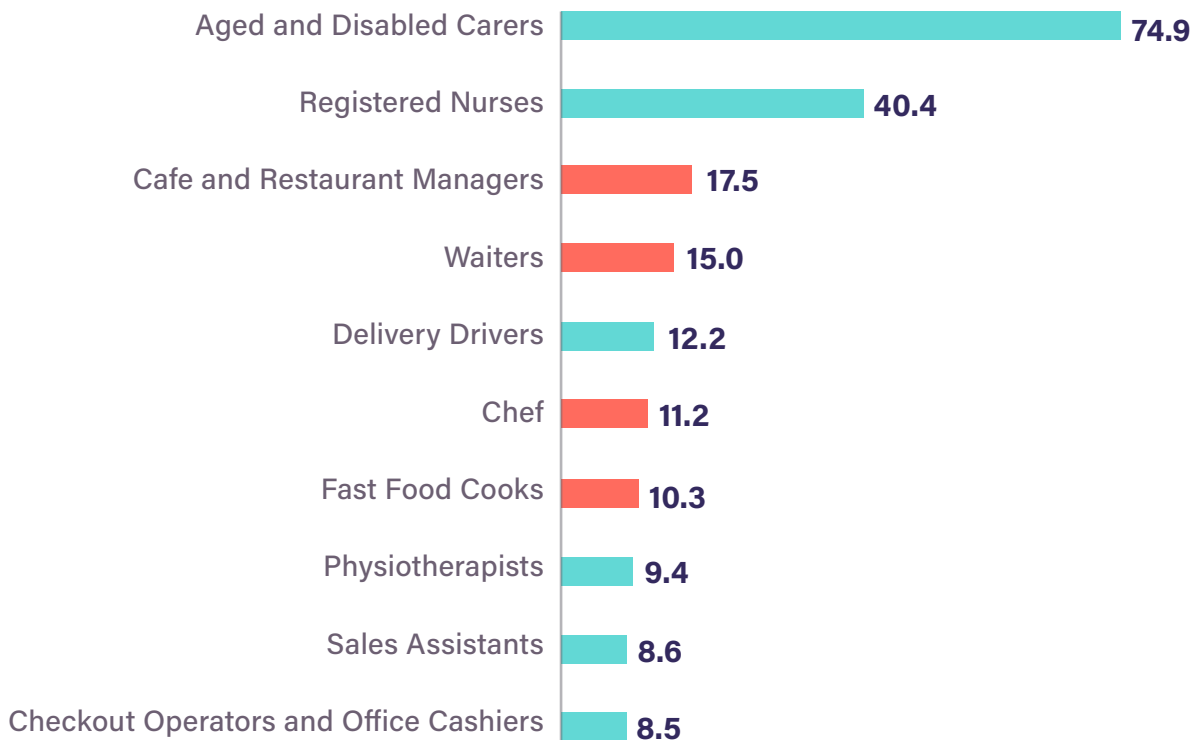
Over the next five years, projections show a significant increase in various Hospitality positions:

- **The number of Café and Restaurant Managers is expected to rise by 17,500 jobs.**
- **Waiters are projected to see an increase of 15,000 jobs.**
- **The demand for Chefs is forecasted to grow by 11,200 jobs.**
- **Fast Food Cooks are anticipated to experience a growth of 10,300 jobs.**

These figures highlight the robust job growth expected in the Hospitality industry, reflecting the sector's resilience and adaptability in the face of technological advancements and changing market dynamics.

Top 10 Shift Work Occupations by Job Gains in 5 years

Source: Department of Employment (2023)





BIG SHIFT REPORT

Retail

05

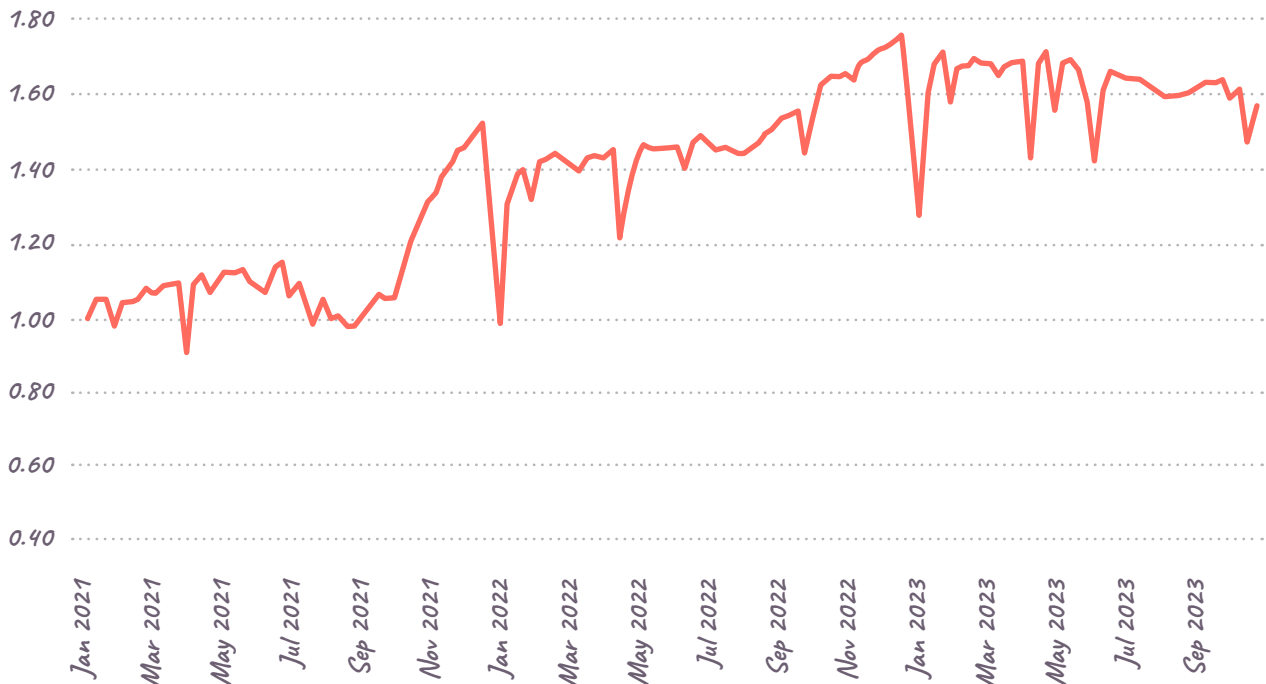
Automation, Consumer Shifts and Retail Workforce Resilience

Following the Hospitality sector, the Retail industry stands as a significant contributor to employment growth in Australia. Since January 2021, there has been a 40% increase in the number of shift work hours in the Retail sector. Despite experiencing minor declines throughout 2023, the industry has recently shown signs of recovery. As of recent months, employment in Retail is now 2% higher than it was at the beginning of the year.

This modest uptrend in employment within the Retail sector, however, mirrors the broader trend of a slowdown in consumer spending. The correlation between the slowing pace of consumer expenditure and the growth in employment in Retail suggests that the industry's expansion is closely tied to consumer spending habits.

Job Trends in Retail

Source: Indexed to Week Beginning 4-Jan-21 Deputy (2023)



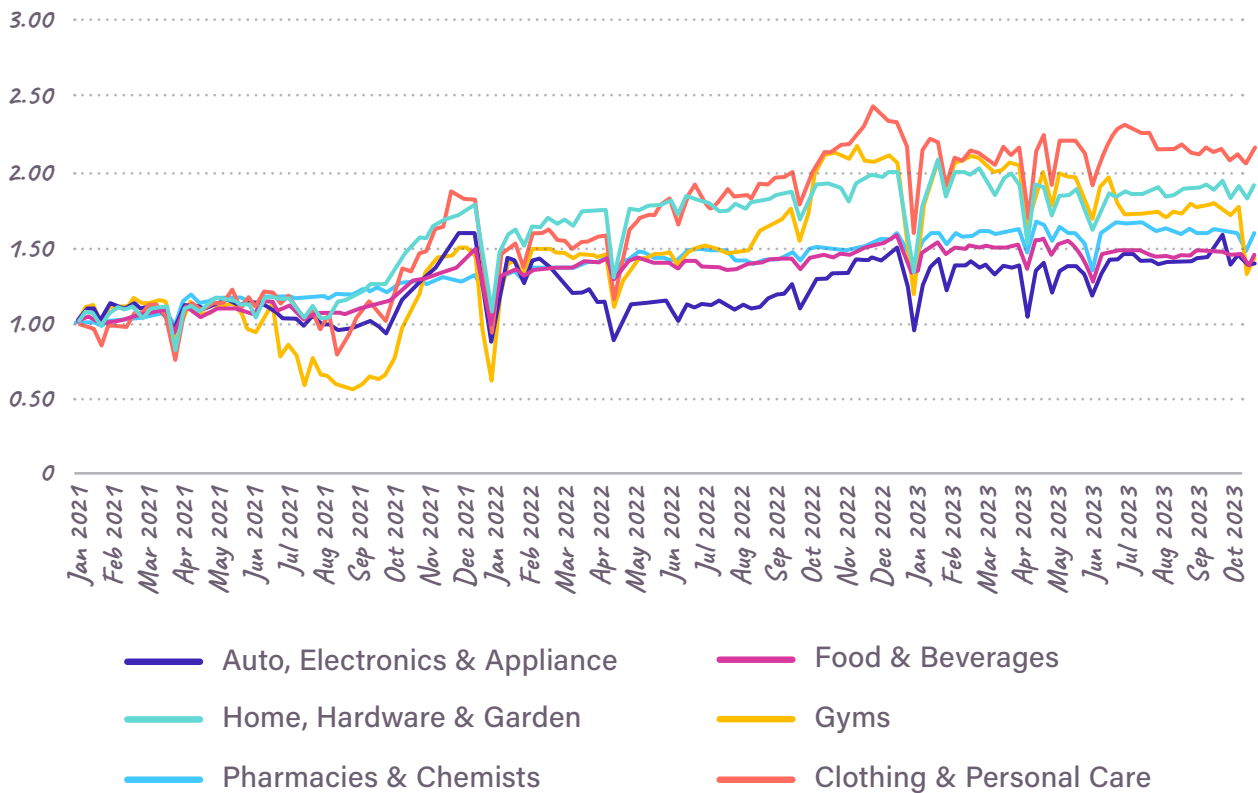
In the Retail sector, Clothing and Personal Care stores have been at the forefront of job growth, with employment figures doubling between 2021 and 2023, as detailed in the overleaf section. However, this segment of the industry encountered employment declines in the second half of 2023. This trend corresponds with a general reduction in consumer expenditure on non-essential items.

The Gym sector experienced the most significant employment decreases in 2023, particularly in the latter half of the year. A growing number of consumers are opting out of spending in this sector, favouring more cost-effective or free alternatives for exercise, such as public parks or outdoor running.

Intriguingly, the Food & Beverage sector, specifically Supermarkets, witnessed stagnant employment levels in 2023. Despite being one of the strongest performing sectors during the Pandemic, there has been a noticeable slowdown in spending within Supermarkets. This change is attributed to consumers increasingly turning to discount retailers, driven by the need to manage cost-of-living pressures. This shift in consumer behaviour is consequently impacting job availability in the Supermarket industry.

Deputy Job Index - Retail Sectors

Source: Indexed to Week beginning 4-Jan-21 using Deputy (2023)

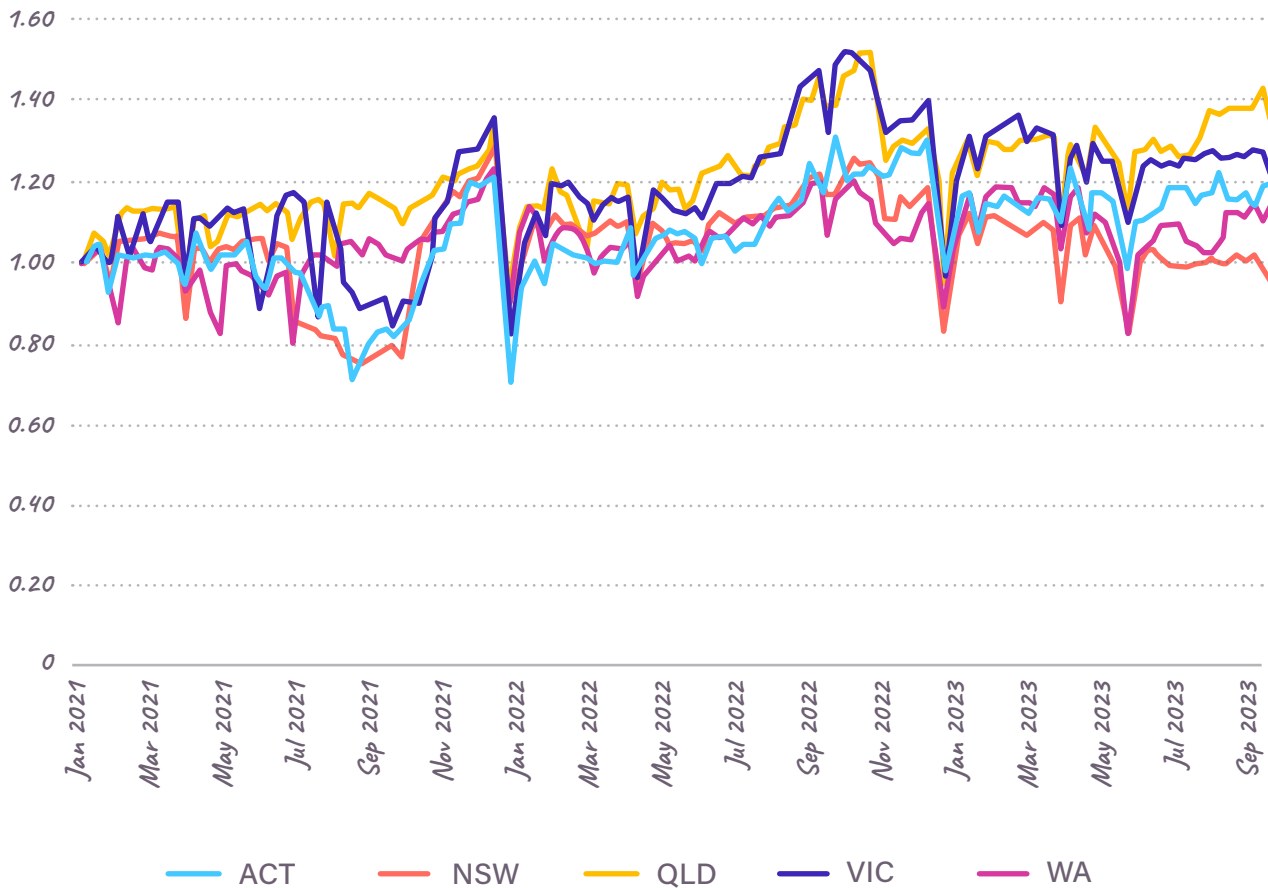


The major markets have experienced varying impacts due to the slowdown in consumer spending. In Victoria, there has been minimal or no change in job numbers throughout 2023. However, New South Wales (NSW) has witnessed a more pronounced effect, with a reduction of 5% in shift work hours compared to 2021.

Consistent with trends observed in other industries, Queensland (QLD) stands out as the only state that recorded employment growth in 2023. This distinct pattern in QLD contrasts with the employment trends seen in Victoria and NSW, underscoring the regional differences in the impact of consumer spending on the job market.

Deputy Job Index by Major States

Source: Retail industry Indexed to Jan-21 using Deputy (2023)

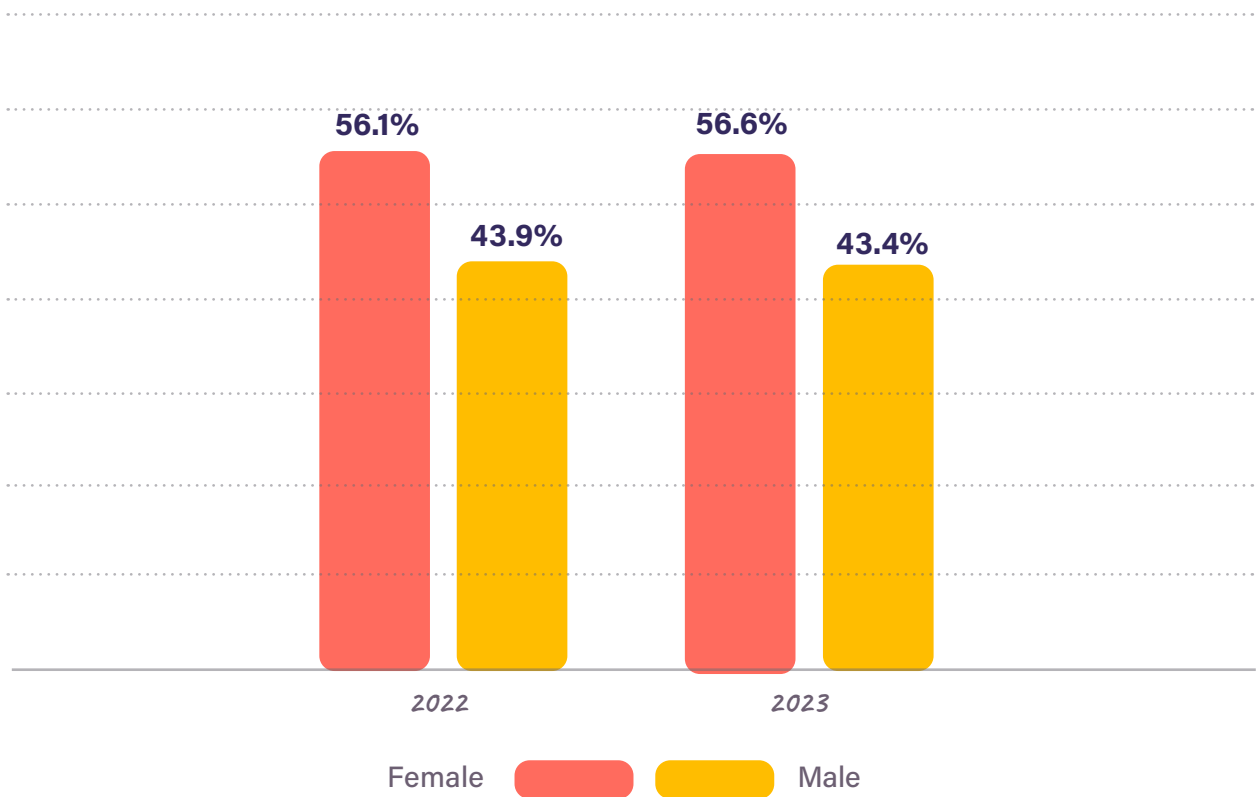


In 2023, women constituted the majority of shift workers, accounting for 56.6% of shift work hours. This represents a slight increase from 56.1% in 2022.

The analysis indicates the slowdown in consumer spending, observed during this period, did not significantly affect the distribution of employment between genders from 2022 to 2023. The proportion of shift work hours performed by women remained relatively stable despite the broader economic trends impacting consumer behaviour and spending.

Share of Employment by Gender

Source: Deputy (2023) and US Bureau of Labor (2023) de-seasonalized data

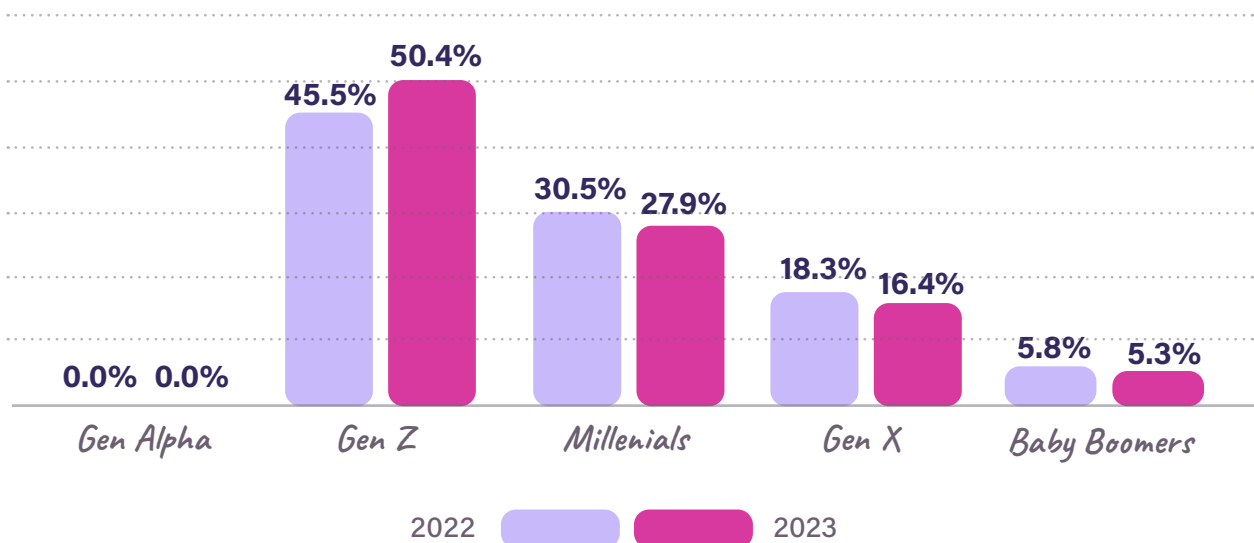


In 2023, Generation Z became the predominant generational group in the Retail workforce, accounting for half of the sector's employees. During the same period, the representation of other generations in the Retail workforce decreased. Specifically, Millennials constituted 27.9% of shift workers, Generation X made up 16.4%, and Baby Boomers accounted for 5.3%.

Additionally, the Retail industry is beginning to witness the entry of Generation Alpha into the workforce. As of now, Generation Alpha represents less than 0.1% of total shift work hours. Members of this emerging generation are primarily starting their employment journeys in the Food & Beverage sector, particularly in Supermarket stores. This early participation marks the onset of Generation Alpha's involvement in the Retail labour market.

Share of Employment by Generation

Source: Deputy (2023)



Shift Pulse insights indicate an overall increase in positive sentiment among shift workers in 2023 compared to previous years. However, this general trend of positivity is affected in the short term by negative economic and political developments. Deputy data provides specific insights into these fluctuations:

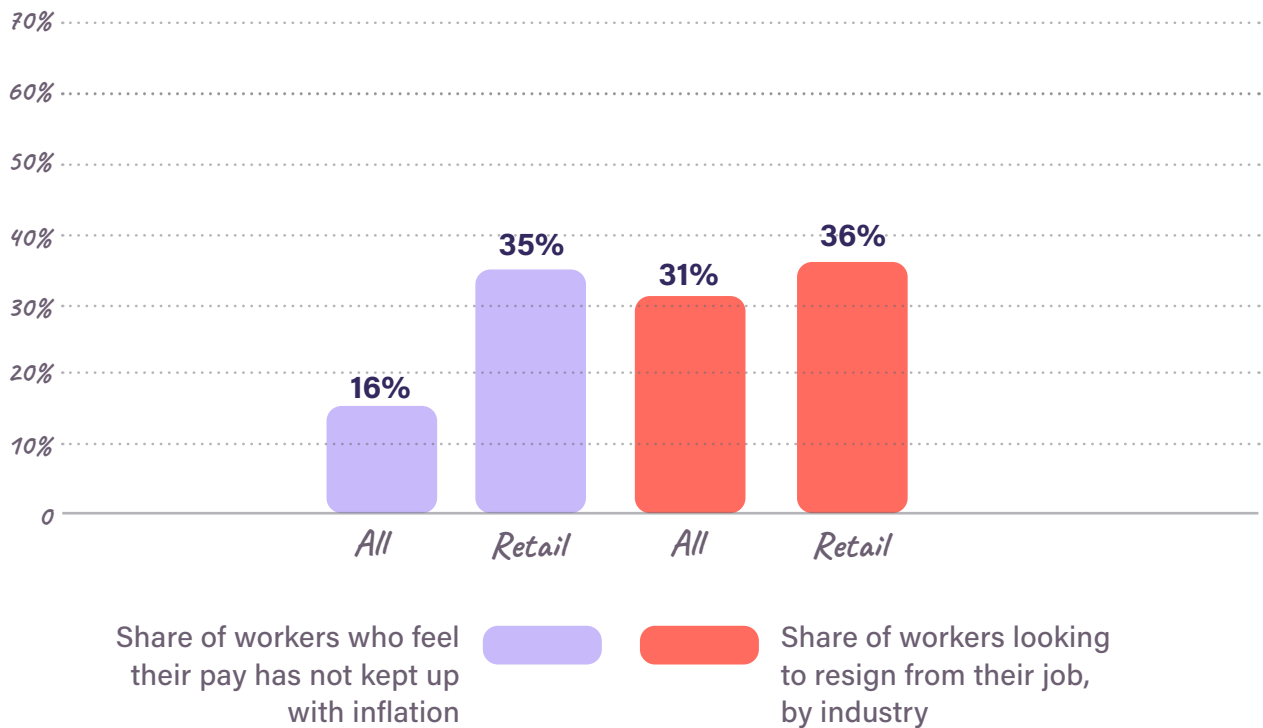
- There was a noticeable decline in sentiment following the onset of rising inflation and the first series of interest rate hikes.
- Since August 2023, another decline in sentiment has been observed, likely influenced by heightened economic uncertainty and geopolitical conflicts in regions like Ukraine and the Middle East.

Further, Deputy data highlights a significant 35% of Retail workers believe their pay has not kept pace with inflation, a figure notably higher than the average of 16% among Australian workers overall.

Additionally, more than a third of Retail workers are considering quitting their jobs, with some looking for opportunities in entirely different industries. This trend reflects the impact of economic factors on job satisfaction and career choices within the Retail sector.

Retail Shift Workers Sentiment

Source: Deputy State of the Shiftwork Survey (2023)

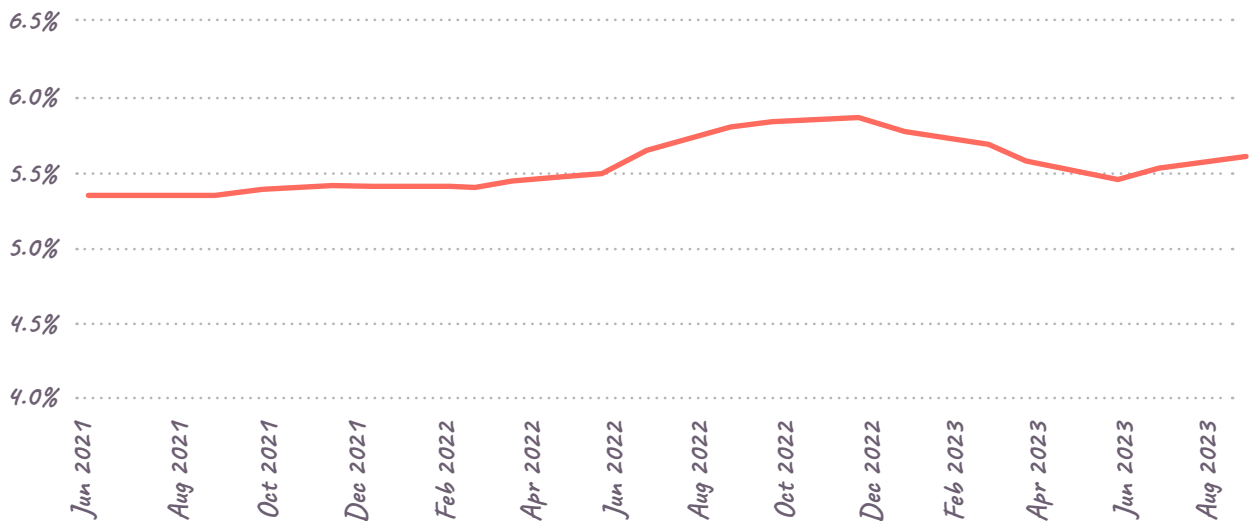


The increasing cost of living has led many workers to take on multiple jobs. In the Retail industry, the proportion of shift workers holding multiple jobs is significant. As of the latest data, 5.6% of shift workers in Retail are multi-job holders. Although this percentage has decreased slightly from a peak of 5.8% in December 2022, it remains at a historically high level not seen in the past 25 years.

Additionally, a growing number of these multi-job holders in Retail are working across various industries. The most common crossover is with the Services industry, where 8.5% of these workers are also employed. This is followed by the Hospitality sector, where 6% of Retail multi-job holders are also working. This trend of cross-industry employment among multi-job holders reflects the diverse strategies workers are employing to manage the current economic pressures.

Share of Retail Workers with Multi-Jobs

Source: Monthly multi-job rate by industry modelled by Geografia (2023) using Deputy (2023) and ABS Labour Force (2023) datasets



The medium-term outlook for employment in the Retail sector in Australia is optimistic. Within the industry, two occupations are among the top ten growth jobs in the country.

Despite the susceptibility of certain retail roles to automation, such as cashiers and sales assistants, the anticipated expansion in Australia’s consumer markets is projected to more than compensate for any job losses resulting from automation. Over the next five years, the number of Sales Assistant roles is expected to increase by a net total of 8,600 jobs, with Cashier positions growing by 8,500 jobs.

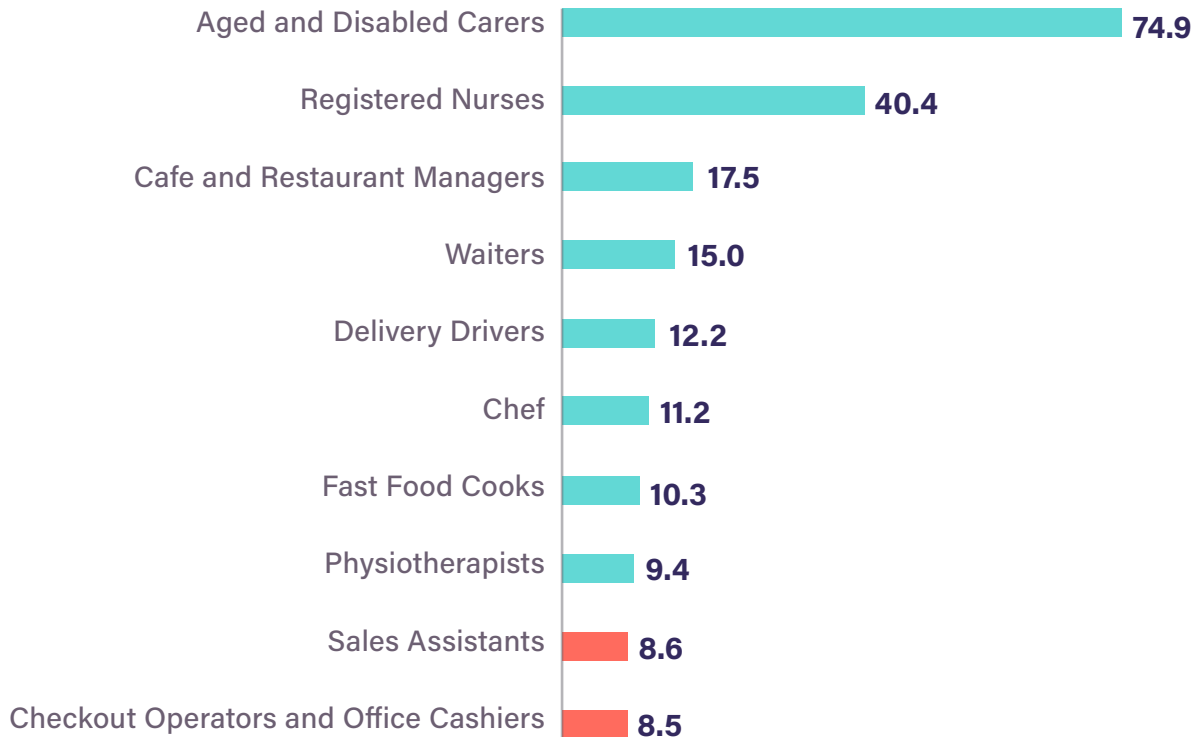
The future of Retail industry jobs is more significantly influenced by changes in consumer behaviour than by automation risks. For instance, the integration of Virtual Reality (VR) and Augmented Reality (AR) technologies is poised to transform consumer experiences and purchasing methods:

- **The increasing popularity of VR fitness applications is expected to have a notable impact on Gyms. These apps are likely to encourage more people to engage in fitness activities at home, reducing the demand for traditional gym services.**
- **Conversely, sectors that have traditionally found it challenging to adapt to e-commerce are expected to make significant advancements through AR technology. Home Furnishing and Hardware, for example, are likely to benefit as AR allows consumers to visualise products in their homes, enhancing the online shopping experience.**

These technological developments suggest a dynamic evolution in the Retail sector, with varying impacts across different segments depending on consumer preferences and technological adoption.

Top 10 Shift Work Occupations by Job Gains in 5 years

Source: Department of Employment (2023)



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BIG SHIFT REPORT

Healthcare

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HOSPITAL

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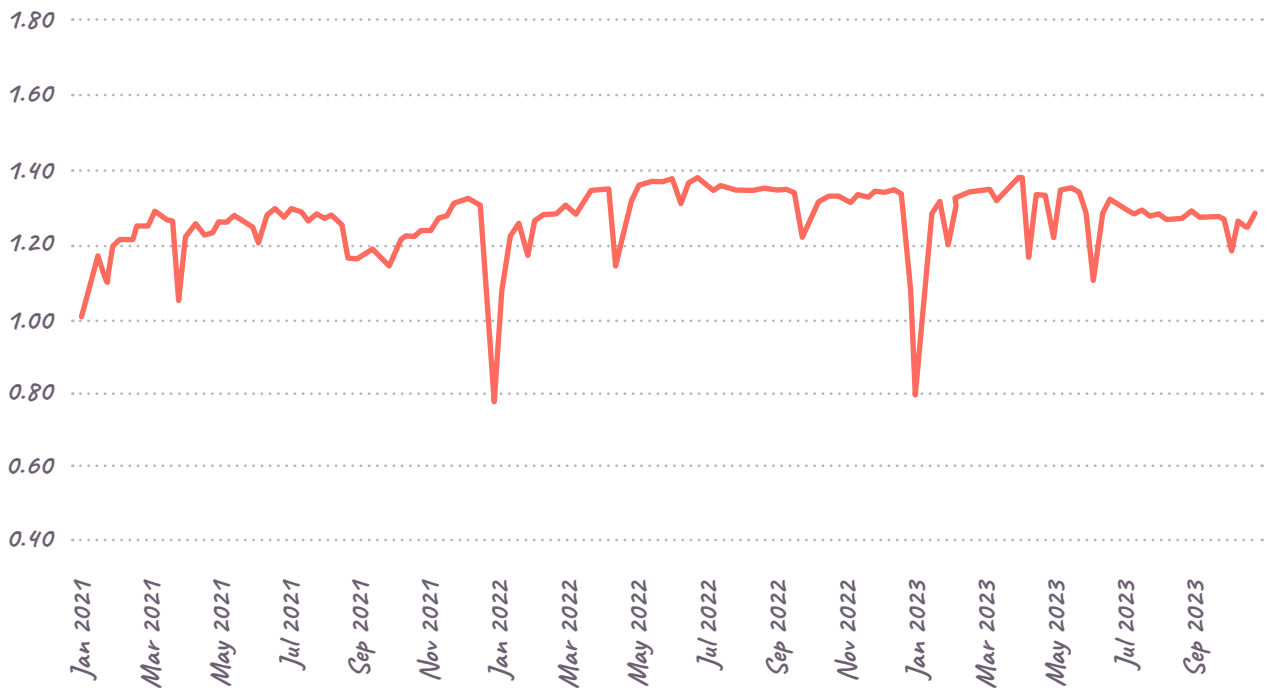
Healthcare Evolution: Changing Demographics, AI Impact and Labour Shortages

In 2023, employment levels have shown a significant increase compared to the previous two years. Specifically, the Healthcare industry has recorded a notable rise in employment, with a 23% increase in shift work hours compared to 2021.

However, this upward trend was not consistent throughout the entire year. In the second half of 2023, the Healthcare sector experienced a decline in shift work hours. This indicates a shift in employment patterns within the industry over the course of the year.

Job Trends in Healthcare

Source: Indexed to Week Beginning 4-Jan-21 Deputy (2023)



In 2023, the Healthcare industry experienced declines in shift work hours, predominantly in Childcare and Community Centres, followed by Hospitals. These decreases are attributed to several factors:

- 01** Labour shortages have played a significant role, as an increasing proportion of workers are leaving the industry. This trend has contributed to the reduction in available shift work hours in specific healthcare sectors.
- 02** Additionally, the industry is undergoing post-pandemic changes as it adjusts to a new normal in 2023. This reorientation process has impacted employment patterns, particularly in Childcare, Community Centres, and Hospitals.

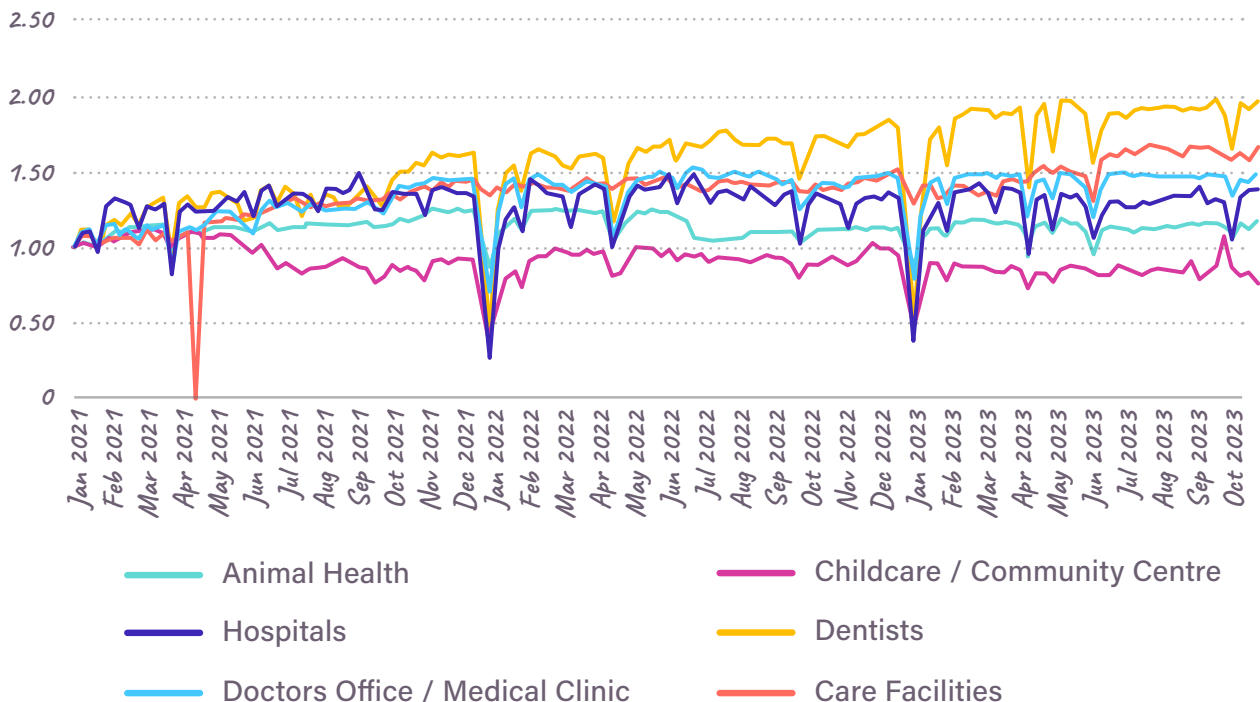
Conversely, other essential services within the Healthcare sector have seen an increase in employment throughout 2023. These areas include:

- Dentistry services have reported a rise in employment numbers.
- Care Facilities, especially those in Aged Care, have also experienced growth in terms of employment.
- Medical Clinics have witnessed a moderate increase in employment, although to a lesser extent compared to Dentistry and Aged Care.

These increases in employment within certain Healthcare services are also partly due to labour shortages, as a growing number of workers exit the industry. This has led to a higher demand for healthcare professionals in these specific areas.

Deputy Job Index - Healthcare Sectors

Source: Indexed to Week beginning 4-Jan-21 using Deputy (2023)

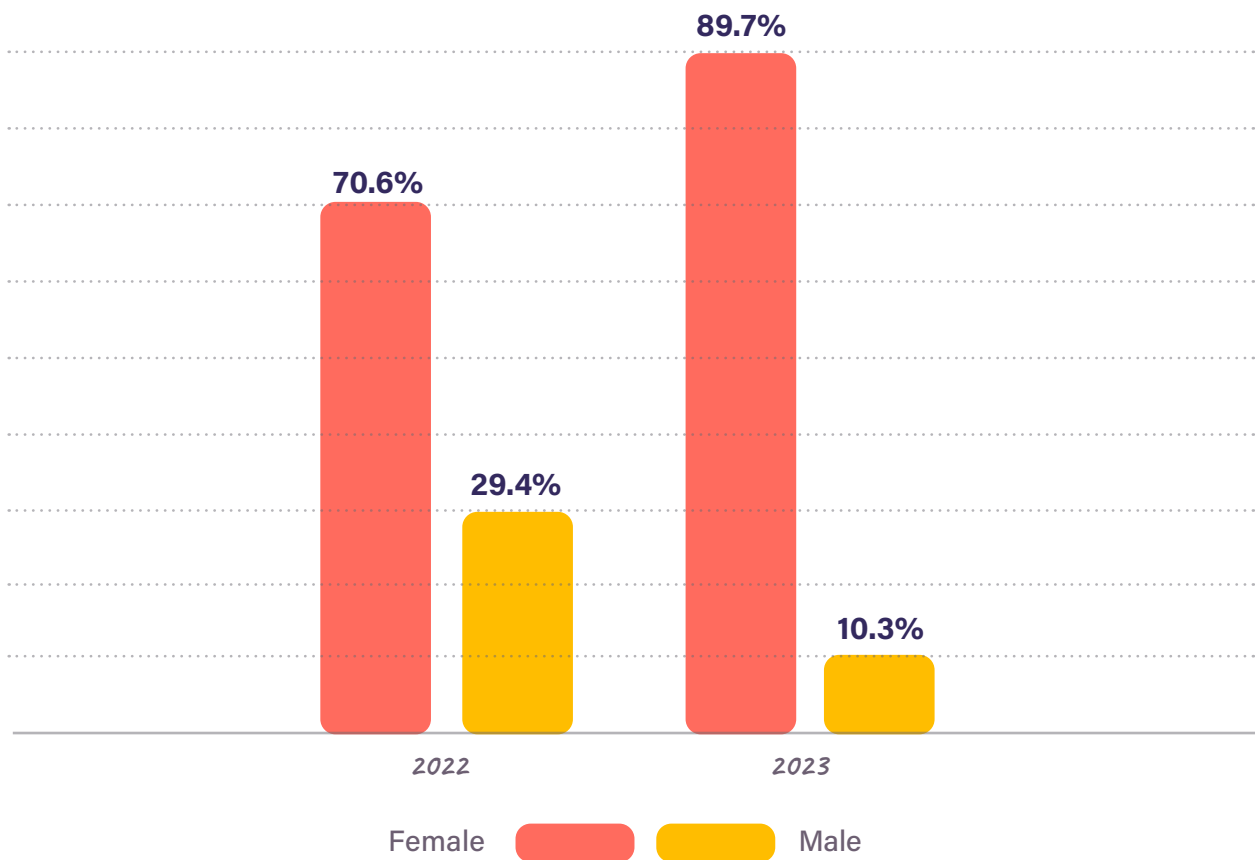


In 2023, women constituted the majority of shift work hours in the Healthcare sector, accounting for nearly 90% of the total work hours. This marks a significant increase from 2022, when women represented 70% of shift work hours.

This predominance of female shift workers in the Healthcare sector is particularly evident in non-medical areas, such as Childcare. In these sub-sectors, women tend to occupy a larger proportion of work hours. This trend reflects broader employment patterns within the Healthcare industry, highlighting the gender distribution in different roles and specialisations.

Share of Employment by Gender

Source: Deputy (2023) and US Bureau of Labor (2023) de-seasonalized data



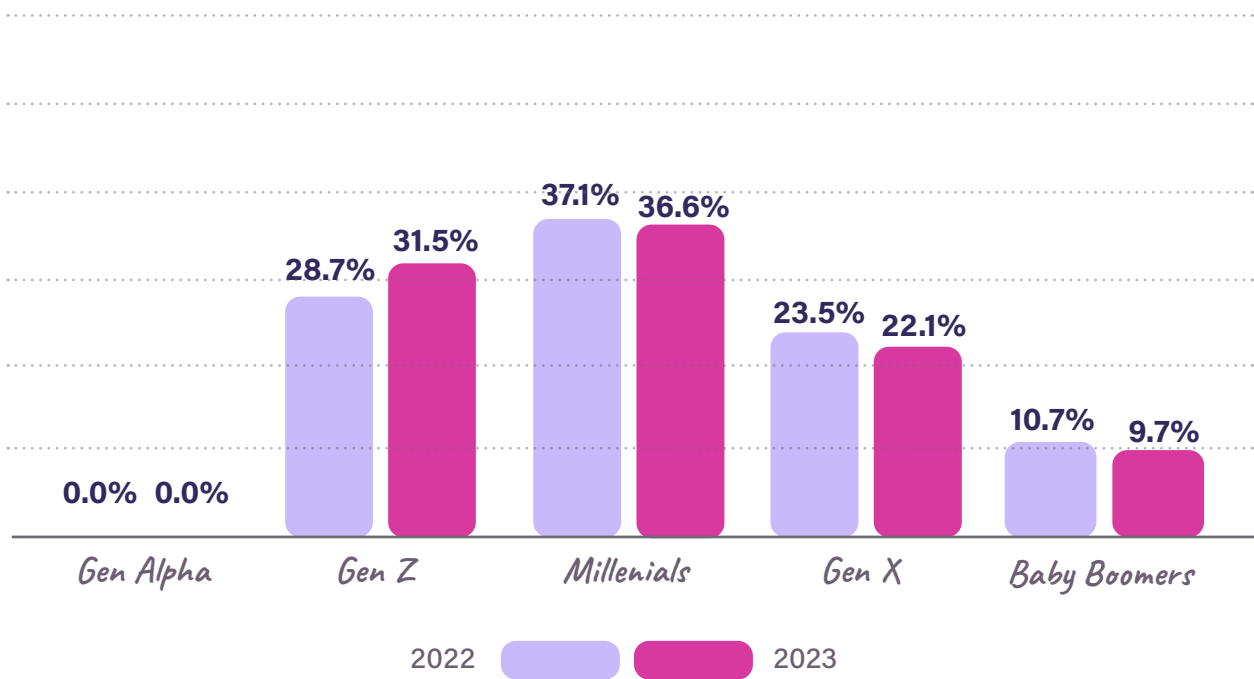
In the Healthcare industry in 2023, Millennials remained the most prominent generational group, making up 37% of the shift workforce.

However, there has been a noticeable increase in the representation of Generation Z (Gen Z) workers, who now account for 31.5% of the workforce within the industry. Concurrently, the proportion of workers from Generation X (Gen X) and Baby Boomers has seen a decline in 2023. Specifically, Gen X now represents 22% of Healthcare shift work hours, while Baby Boomers constitute 10%.

This shift in the generational composition of the Healthcare workforce highlights changing demographics and the evolving nature of employment within the industry.

Share of Employment by Generation

Source: Deputy (2023)



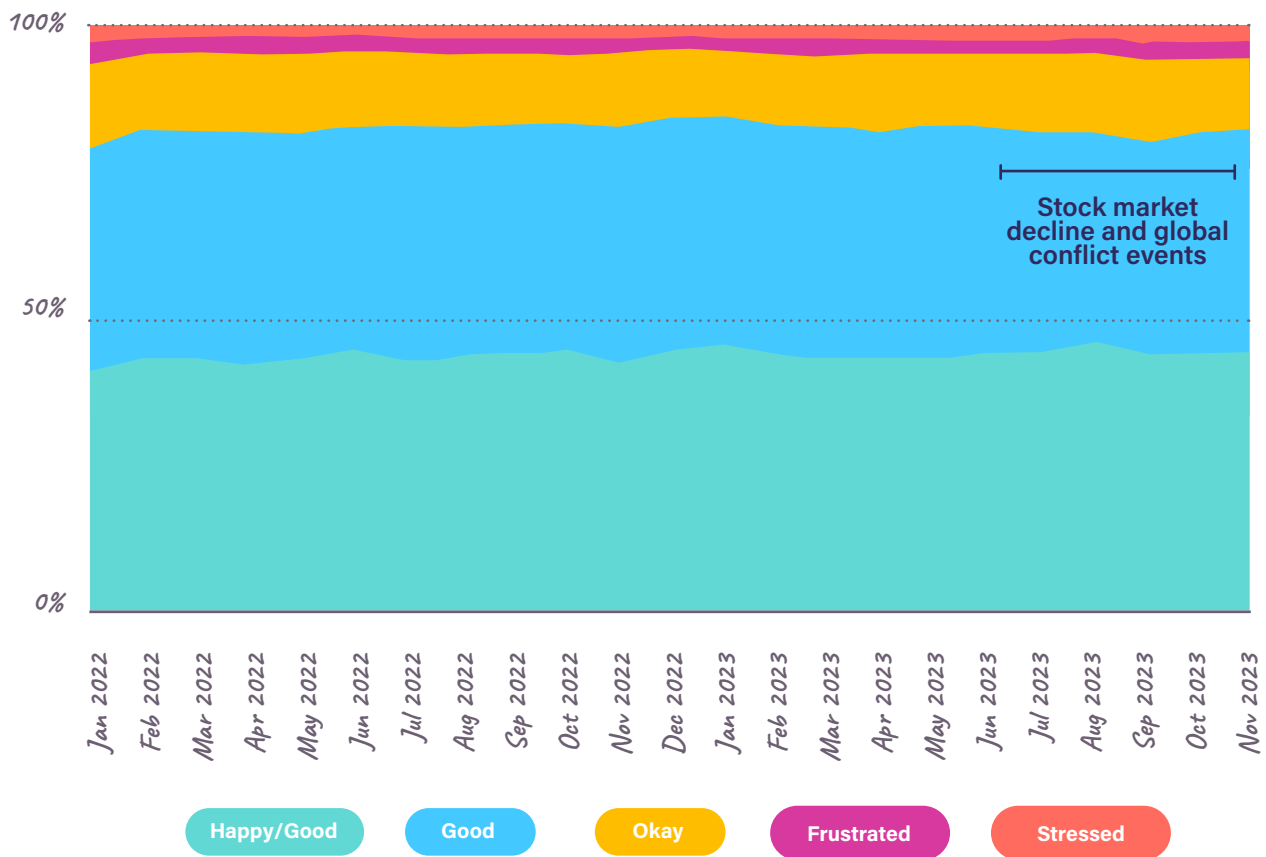
According to Shift Pulse, the general sentiment among shift workers in the Australian healthcare industry remained relatively unchanged up until July 2023. This stability contrasts with the trends observed in other shift work industries.

Deputy data, however, does not indicate any positive trends in worker sentiment within the Australian healthcare sector. Instead, there has been a noticeable decline in positive sentiment among shift workers in the second half of 2023.

This downward trend in sentiment among healthcare shift workers aligns with broader economic patterns. It suggests the rising cost-of-living pressures experienced during the latter part of 2023 are having a significant impact on the mindset and outlook of healthcare workers. This correlation highlights the sensitivity of worker sentiment to external economic factors, particularly in the context of the healthcare industry.

Shift Pulse Sentiment by Healthcare

Source: Deputy Shift Pulse Data (2023)

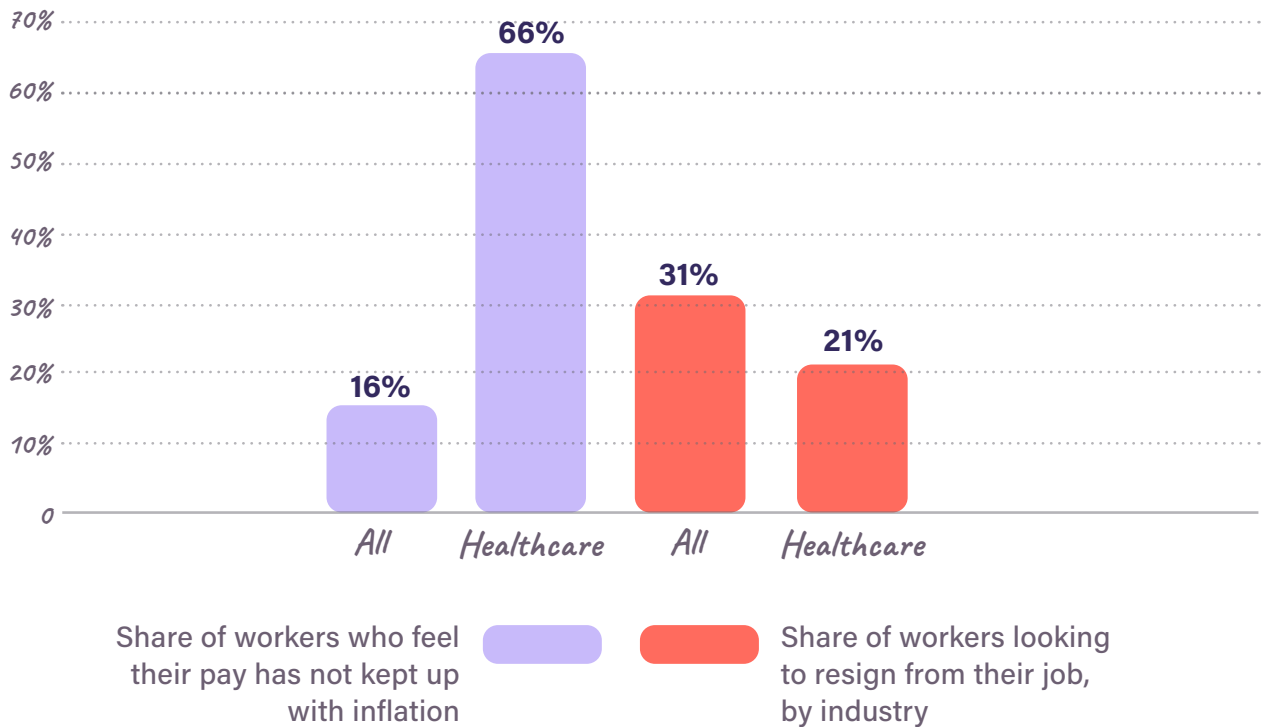


Deputy data reveals that a substantial 66% of Healthcare workers believe their pay has not kept pace with inflation, a figure that is notably higher than the 16% average reported among Australian workers in general.

Despite this significant disparity in wage satisfaction, only 21% of Healthcare workers have expressed a desire to leave their jobs. This contrast between the high percentage of workers feeling underpaid and the relatively lower percentage seeking to quit suggests that Healthcare workers are employing alternative strategies to manage the increasing cost of living, rather than primarily seeking higher-paying employment opportunities. This trend indicates a complex response to financial pressures within the Healthcare sector, where factors other than wage levels may influence workers' decisions to remain in their current positions.

Healthcare Shift Workers Sentiment

Source: Deputy State of the Shiftwork Survey (2023)



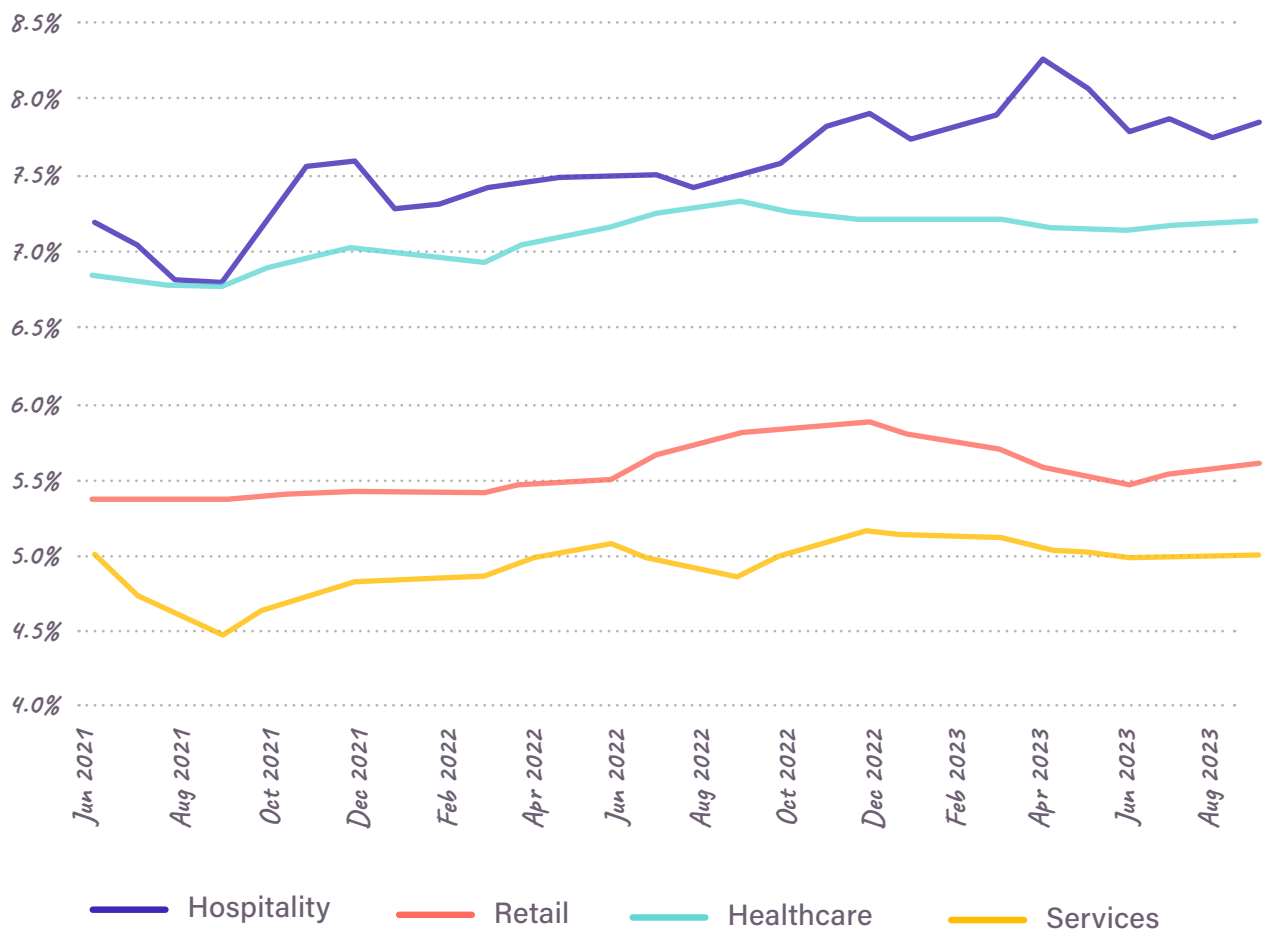
Healthcare workers are adopting specific strategies to address the challenges of rising costs, notably by taking on multiple jobs. The data indicates the Healthcare industry ranks second in terms of multi-job rates among shift work industries, with approximately 7.2% of its workforce engaged in multiple jobs. This rate is at a 25-year historical high, the highest since such data began being collected in the 1990s.

The analysis reveals the majority of these multi-job-holding shift workers in Healthcare typically have multiple roles within the same industry. For example, contract nurses often work across different clinics and hospitals.

However, a segment of these workers also holds positions outside of the Healthcare sector, with the most common crossover being into the Hospitality industry. This trend of multi-job holding within and beyond the Healthcare sector reflects the adaptive measures workers are taking to manage financial pressures in the current economic environment.

Share of Workers with Multi-Jobs by Industry

Source: Monthly multi-job rate by industry modelled by Geografia (2023) using Deputy (2023) and ABS Labour Force (2023) datasets



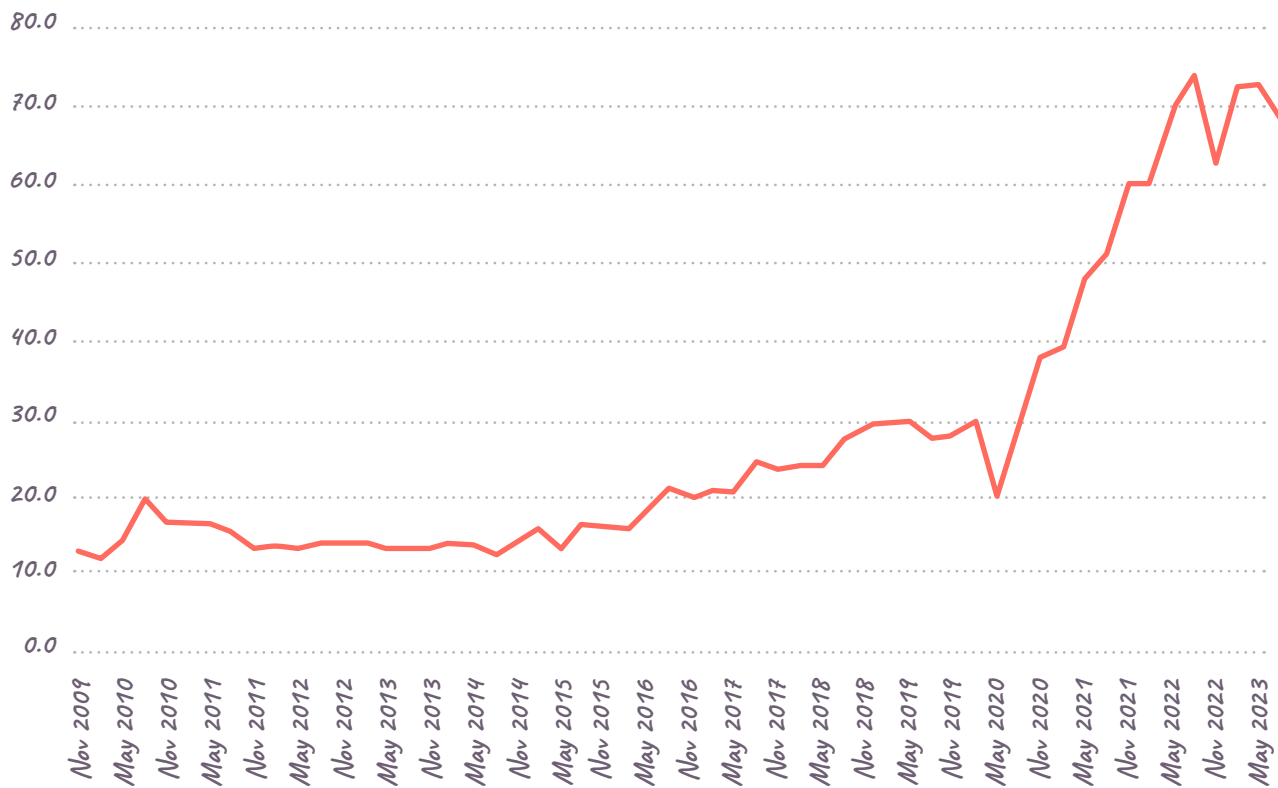
In the Healthcare sector, a significant 63% of workers believe AI will bring changes to their job roles. This statistic indicates a heightened awareness and concern among Healthcare workers about the potential implications of advancing technologies on their employment and future job prospects.

The Healthcare industry in Australia is currently grappling with a significant challenge beyond the economic downturn: a pronounced labour shortage across various sectors within the industry. This issue is highlighted by the high number of job vacancies in the sector, which remain at a historical peak of nearly 70,000 positions across the country.

Although short-term skilled migration might address some of these labour needs, the longer-term outlook presents additional challenges. The demand driven by an ageing Australian population is likely to intensify the skills shortage in the Healthcare industry over the medium term. This demographic trend suggests the current labour shortages may not only persist but could potentially worsen, necessitating strategic planning and interventions to ensure adequate staffing in Healthcare services.

Total Number of Jobs Vacant, Healthcare

Source: Department of Employment (2023)

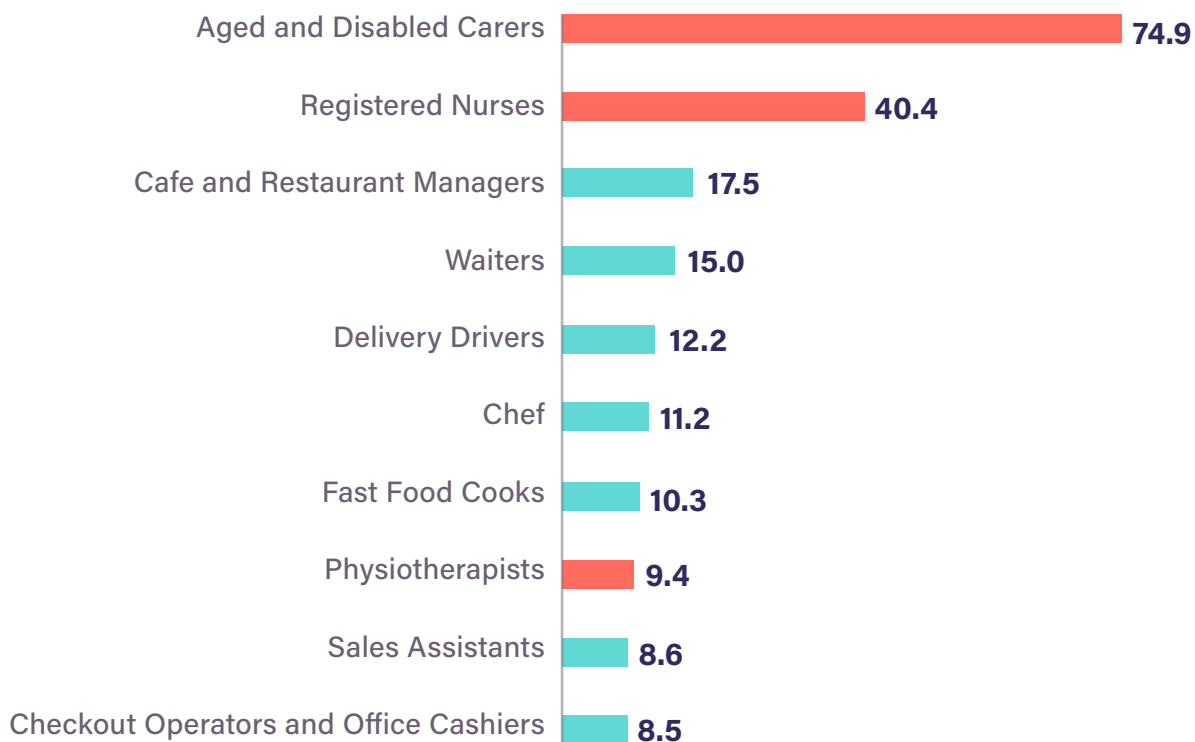


In the forthcoming five years, it is anticipated jobs related to Aged and Disabled Carers will experience substantial growth, with an estimated increase of 74,900 positions. Following closely, the field of Nursing is projected to expand by 40,400 jobs.

Distinct from white-collar positions, which are susceptible to the influence of artificial intelligence (AI), and certain shift work roles that face the risk of automation, Healthcare occupations are expected to exhibit resilience. In cases where technological advancements do emerge, their role is projected to complement and enhance the functions of Healthcare jobs, thereby improving the overall productivity and work experience of individuals employed within the Healthcare sector. This underscores a favourable outlook for job stability and growth within the Healthcare industry.

Top 10 Shift Work Occupations by Job Gains in 5 years

Source: Department of Employment (2023)





BIG SHIFT REPORT

Services

07

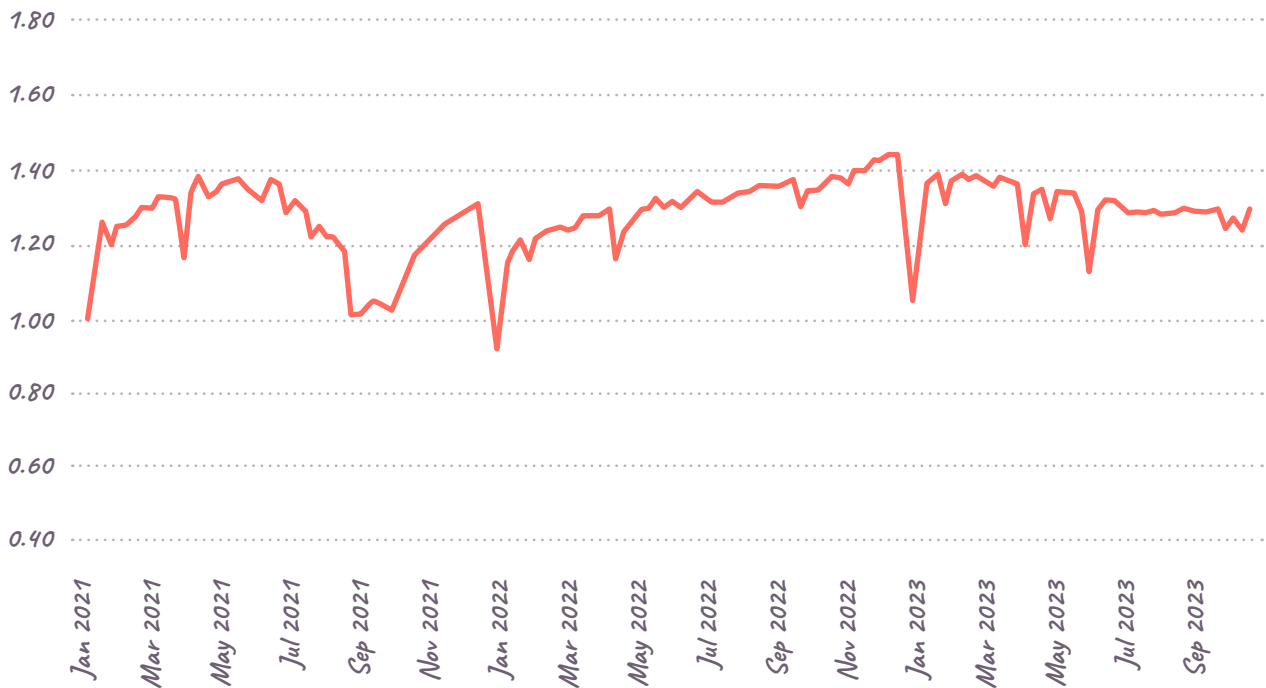
Service Sector Shifts: Tech Transformation, NDIS Growth and Gig Economy Competition

The employment landscape in 2023 exhibits an upward trend when compared to the preceding years of 2021 and 2022. Notably, the Services sector has witnessed significant growth, marked by a substantial increase of 28% in shift work hours in comparison to the levels observed in 2021.

However, it is important to note despite the initial growth, the latter half of 2023 brought a decline in shift work hours within the industry. Over the course of the year, there was a notable 7% reduction in work hours within the Services sector. This shift in employment trends indicates a dynamic and evolving landscape within the industry over the course of the year.

Job Trends in Services

Source: Indexed to Week Beginning 4-Jan-21 Deputy (2023)

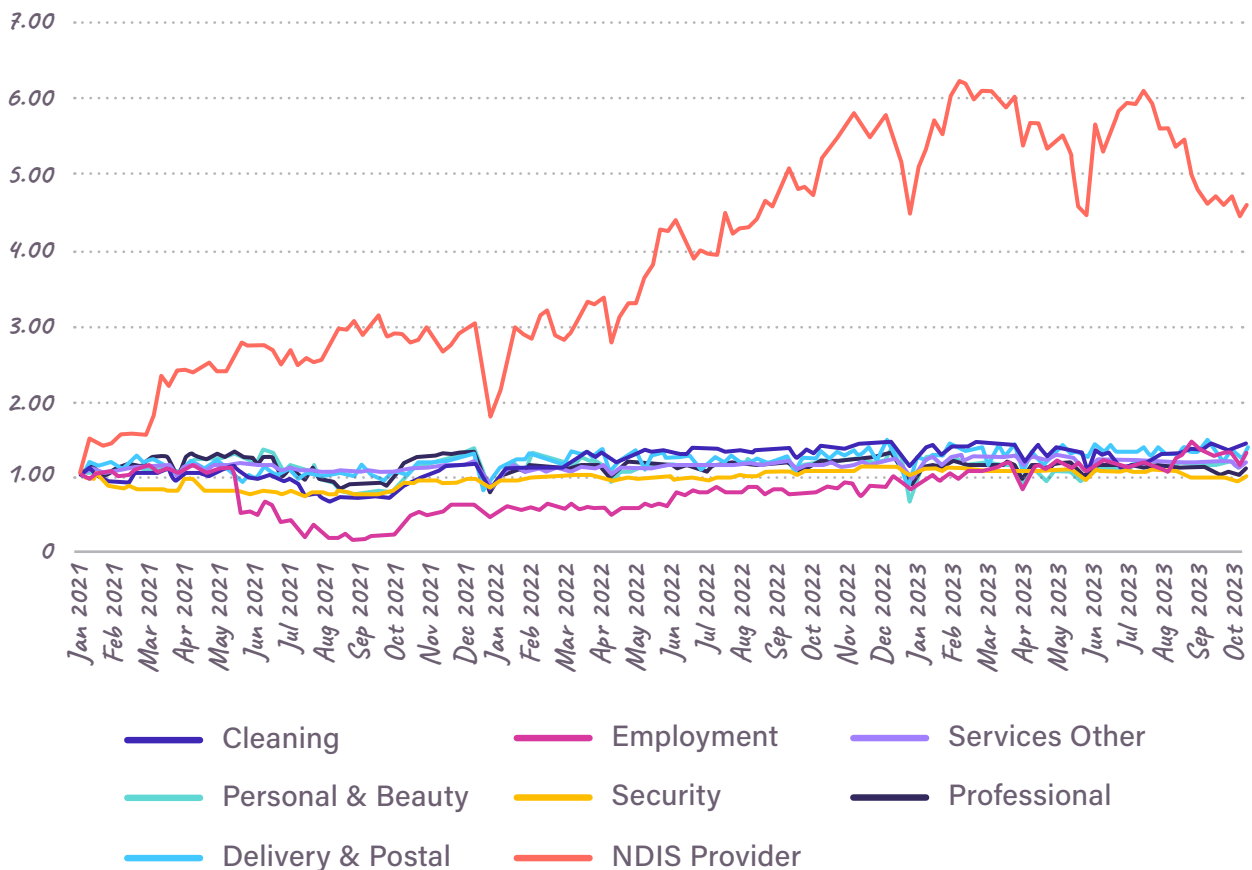


The Services industry has experienced notable shifts in employment dynamics. Notably, the NDIS sector has seen remarkable growth, expanding almost fivefold since the year 2021. This substantial increase highlights the sector's significance within the industry and its capacity for substantial expansion.

In contrast, the other sectors within the Services industry have remained relatively stable throughout the year 2023. However, it is worth highlighting the Employment Services sector, which often mirrors broader labour market trends, witnessed a decline in employment as the year progressed. This decline suggests a potential vulnerability to a slowdown in job vacancies and job searches, particularly in the latter half of the year. These trends provide valuable insights into the dynamics of the Services industry in 2023.

Deputy Job Index - Services Sectors

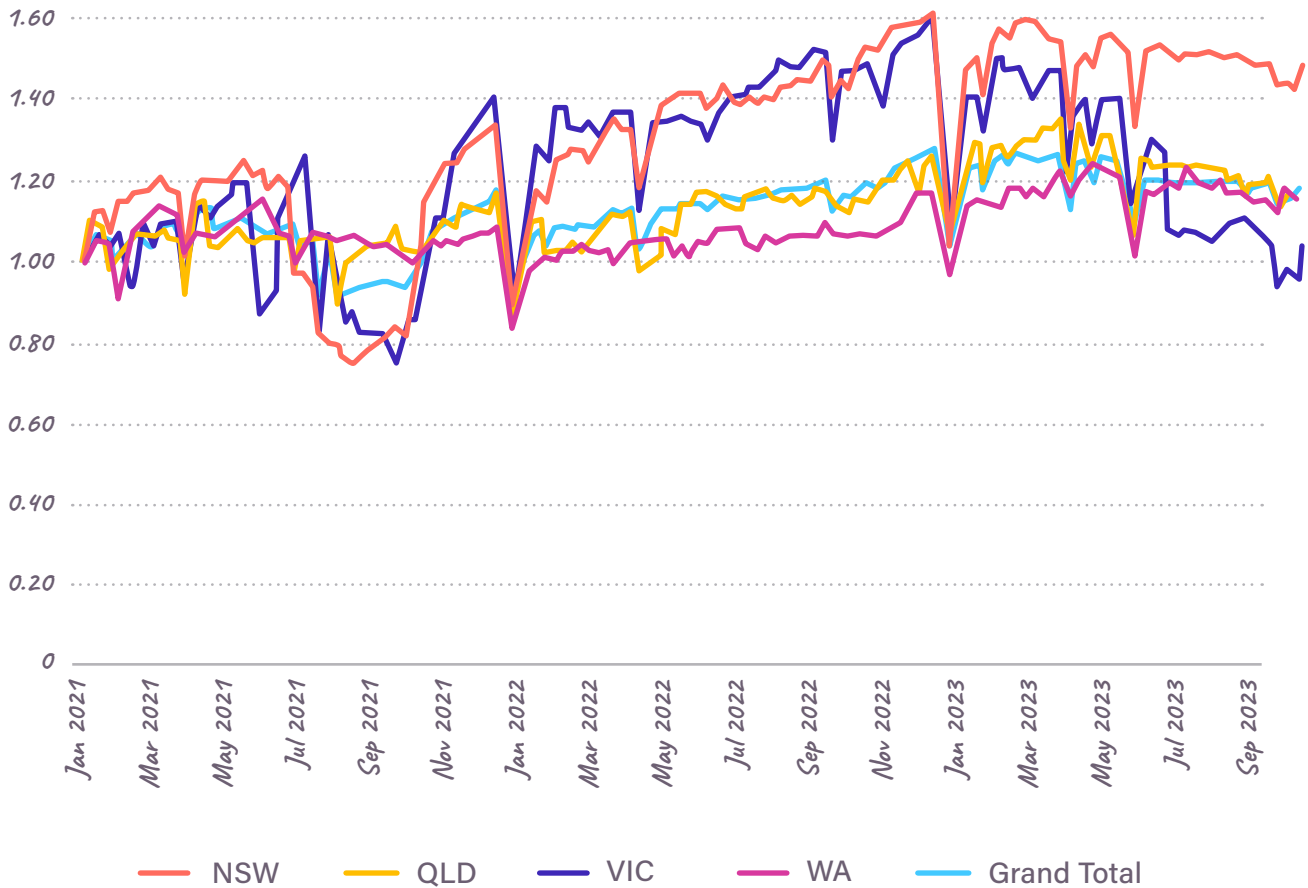
Source: Indexed to Week beginning 4-Jan-21 using Deputy (2023)



Shift work experienced a downturn across all states in 2023, with the most significant decline observed in the state of Victoria. Victoria, in particular, faced substantial challenges related to the escalating cost of living and mounting pressures on housing affordability. These economic factors played a substantial role in shaping the decline in shift work hours within the state.

Deputy Job Index by Major States

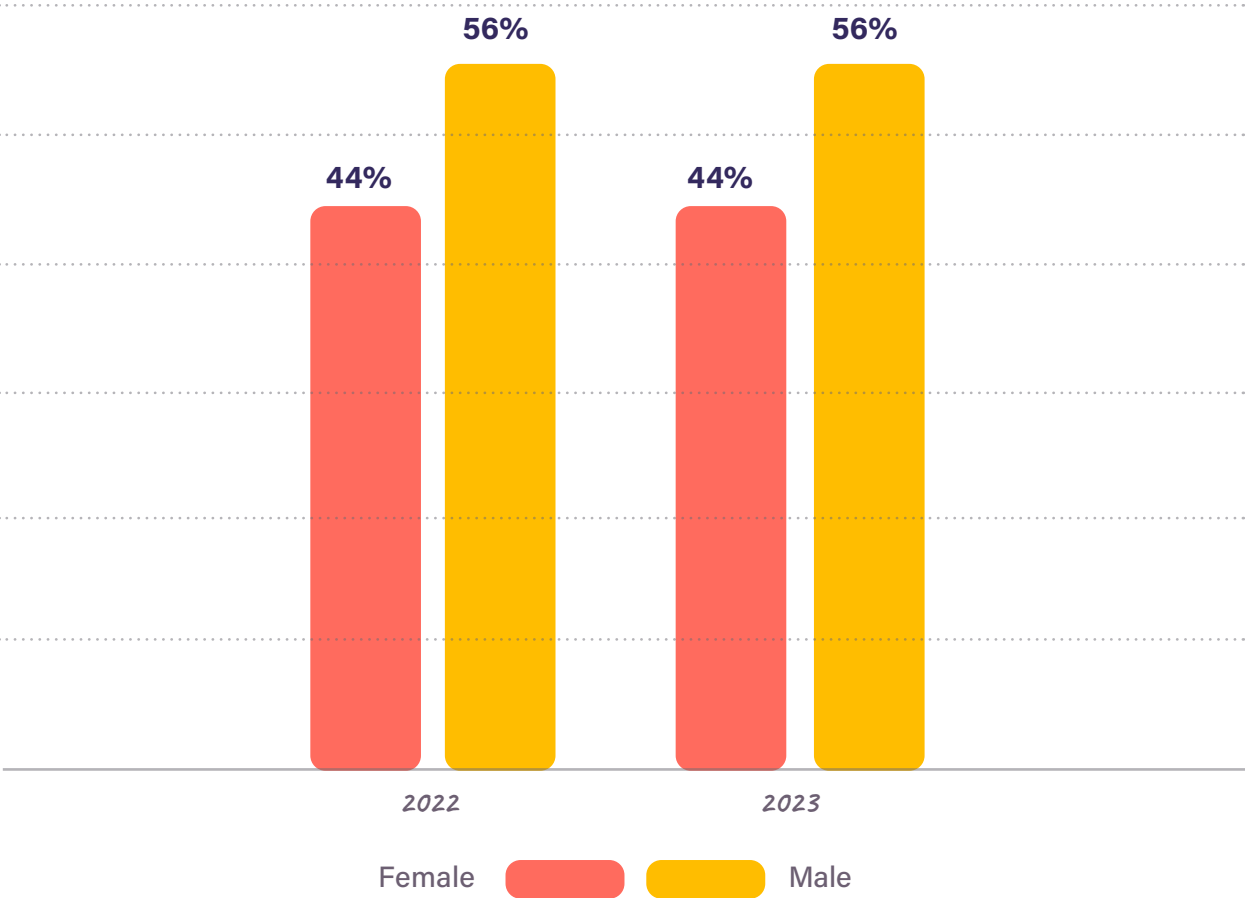
Source: Indexed to Jan-21 using Deputy (2023)



In the year 2023, female shift workers accounted for 44% of the total shift work hours in the industry. This percentage remained consistent with the figures observed in 2022, indicating the decline in shift work hours did not exhibit a gender-specific impact on work hours distribution within the industry.

Share of Employment by Gender

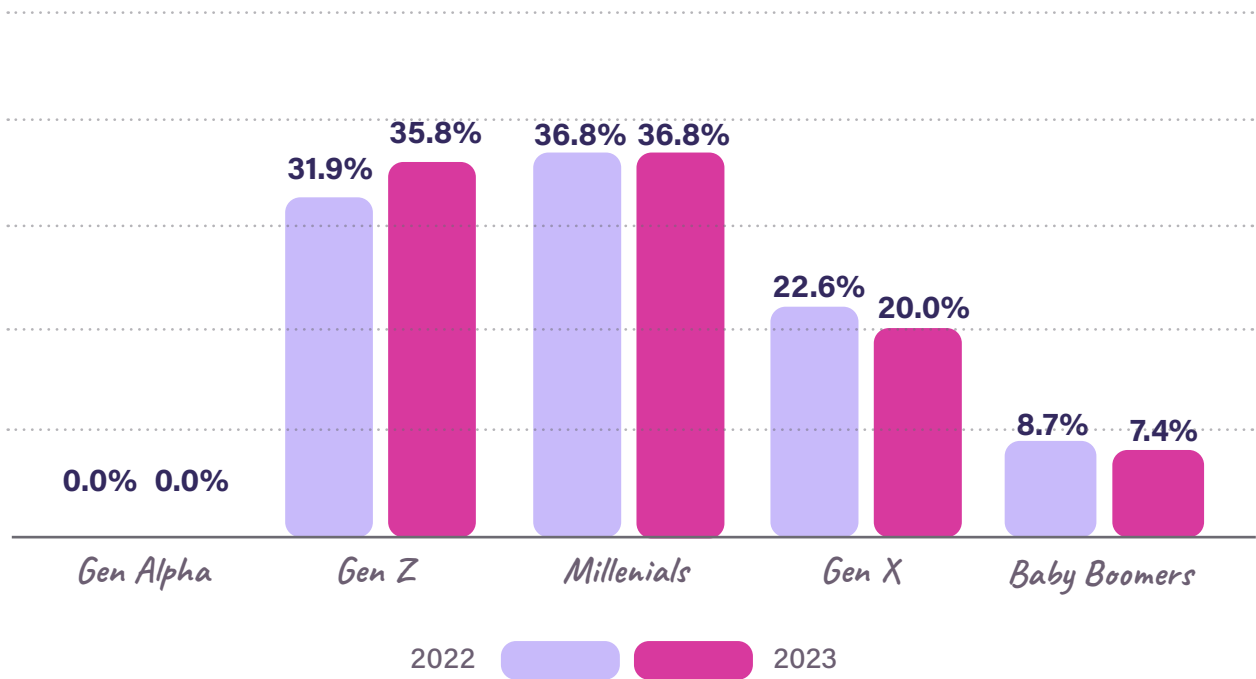
Source: Deputy (2023) and US Bureau of Labor (2023) de-seasonalized data



In 2023, Millennials constituted the largest portion of shift work hours, accounting for 36.8% of the total hours worked. Following closely behind were members of Generation Z, whose share increased from 31.9% in 2022 to 35.8% in 2023. If these patterns persist, it is anticipated that Generation Z will surpass Millennials to become the predominant generation in terms of the share of hours worked within the Services industry in 2024. Conversely, the overall employment shares of both Generation Z and Baby Boomers decreased in 2023, representing 20% and 7.4% of the shift work force, respectively.

Share of Employment by Generation

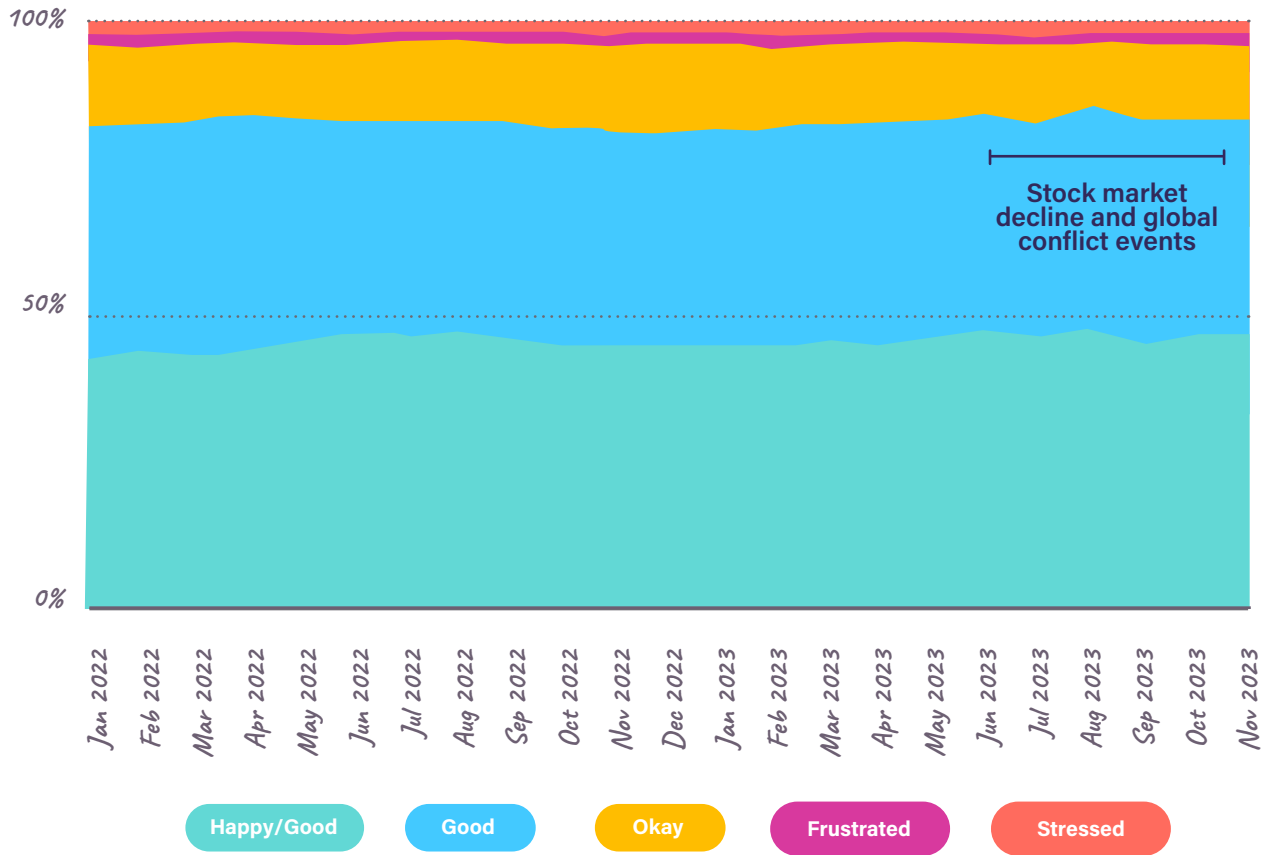
Source: Deputy (2023)



Shift Pulse data indicates the attitudes of shift workers in the Services industry remained relatively stable until July 2023. However, in contrast to other shift work sectors, Deputy's data reveals no upward trends in worker sentiment within the Services industry. Subsequently, there was a discernible decline in positive shift work sentiment during the latter half of 2023. This decline in sentiment aligns with broader economic trends, signifying the increasing cost-of-living pressures are significantly influencing the mindset of workers in the Services sector.

Shift Pulse Sentiment by Healthcare

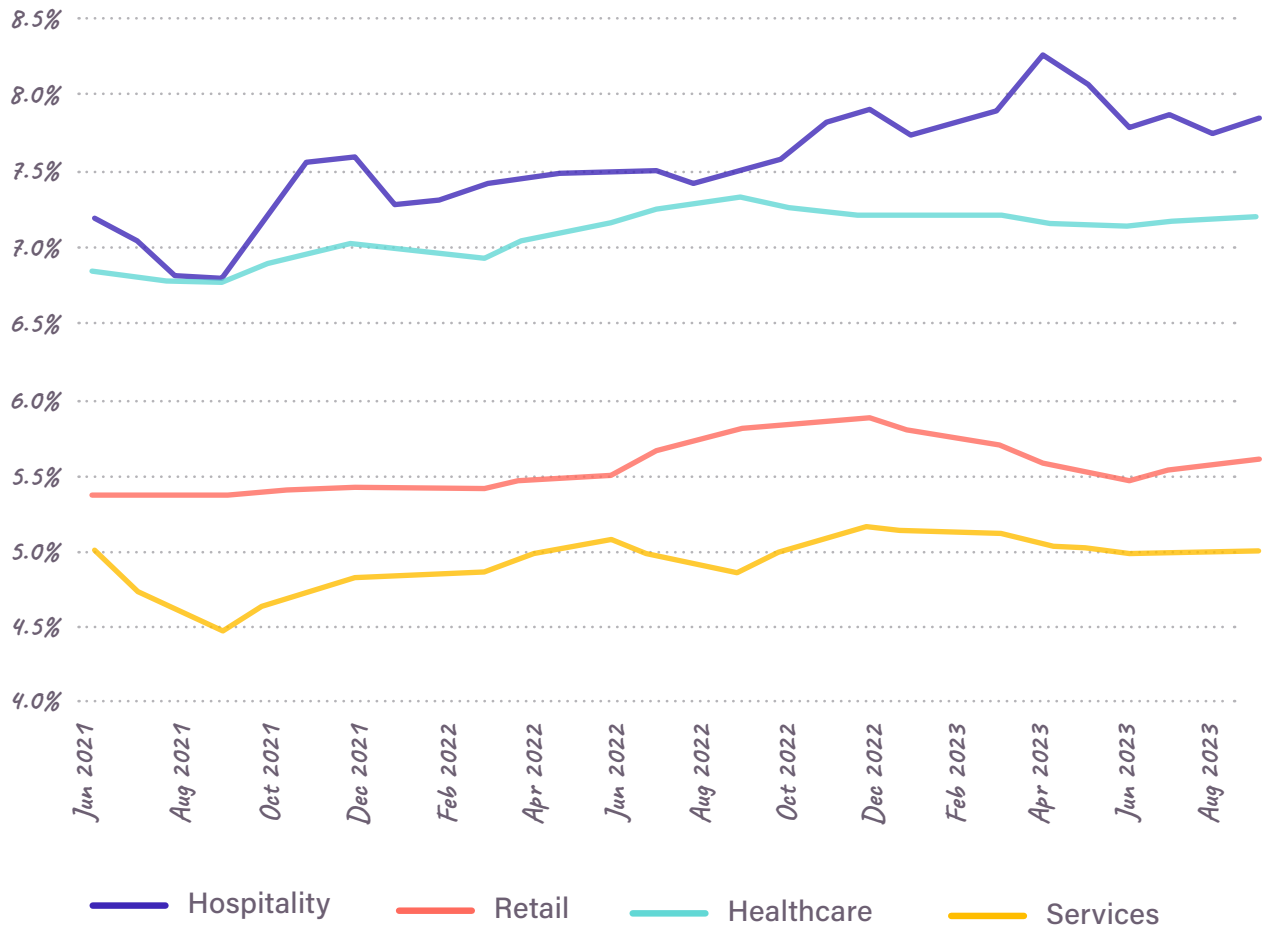
Source: Deputy Shift Pulse Data (2023)



The analysis reveals that, among shift work sectors, the Services industry maintains the lowest multi-job holder rate, standing at 5% of the total shift workforce. This rate has reached a historical high, as it has not been observed at this level since the measure was introduced in the 1990s. These findings imply that workers in the Services industry are adopting the strategy of taking on multiple jobs as a means to cope with the escalating cost-of-living pressures. While a majority of shift workers engage in multiple jobs within the same industry, it's noteworthy that some Service industry shift workers are also pursuing employment in other industries, with Hospitality being the most common alternative field of employment.

Share of Workers with Multi-Jobs by Industry

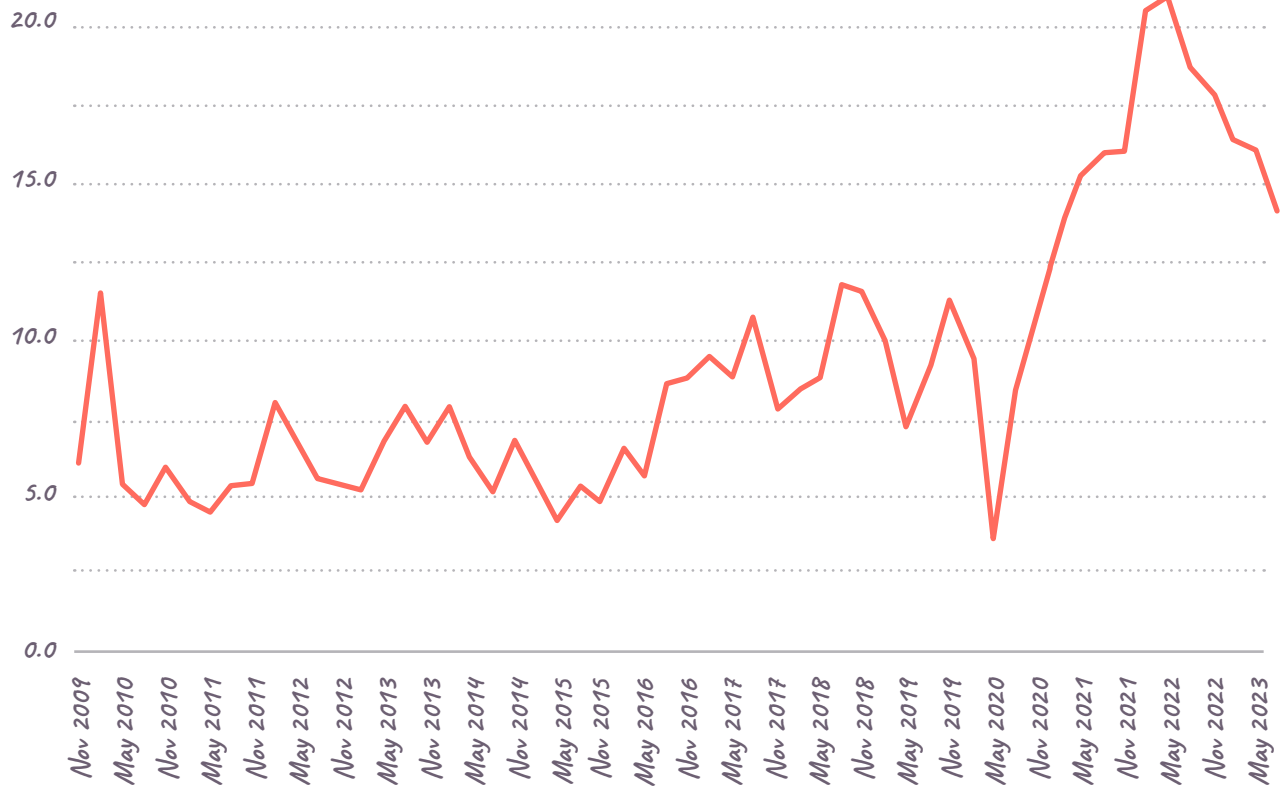
Source: Monthly multi-job rate by industry modelled by Geografia (2023) using Deputy (2023) and ABS Labour Force (2023) datasets



The data indicates that while job vacancies have been historically high, there is now a significant decline in these vacancies. This decline aligns with the overall trend of decreasing job opportunities observed in the Deputy dataset. Job vacancy data further supports the notion that the deceleration in consumer spending is likely to have a substantial impact on the creation of new jobs within the Services sector.

Total Number of Jobs Vacant, Services

Source: ABS Labour Force (2023)



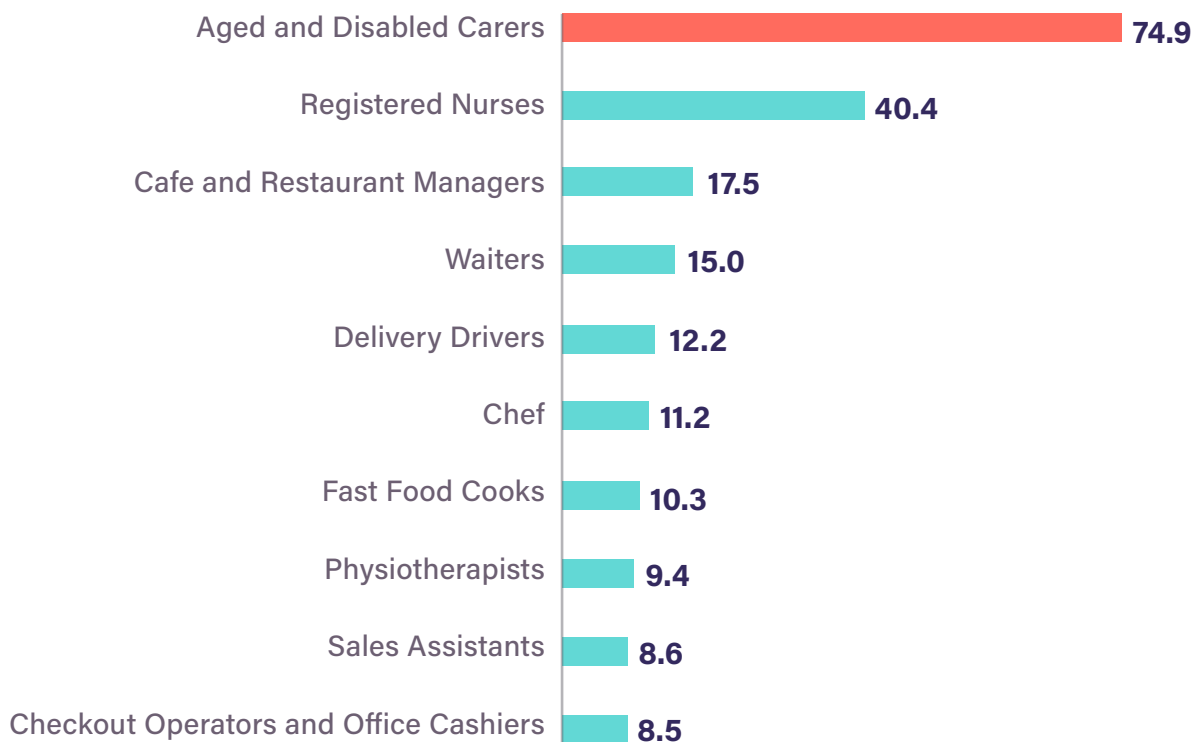
The Services industry is poised to benefit from several factors in the coming years. These include sustained demand driven by an ageing population and improvements in NDIS (National Disability Insurance Scheme) support. Additionally, with a wealthier population, there will be a growing need for various Service jobs in home settings, ranging from home-based aged care to private chefs.

As a result, the Services sector is expected to offer significant employment opportunities, particularly in roles such as Aged and Disabled Carers, which are projected to grow by 74,900 jobs. Unlike certain white-collar jobs and some shift work occupations that are vulnerable to automation and AI, Service jobs are anticipated to remain resilient. Moreover, emerging technology opportunities are likely to complement the roles of Service workers, enhancing their productivity and overall work experience.

Furthermore, there is a growing trend toward platforms that directly connect workers with households in need of services. These platforms are expected to compete directly with traditional Service businesses, similar to the disruption witnessed in the taxi transport industry with the rise of Uber-like services. This indicates a shift in how Services are accessed and delivered in the future.

Top 10 Shift Work Occupations by Job Gains in 5 years

Source: Department of Employment (2023)



The Future of Shift Work

In the immediate future, there is a growing focus on creating better work environments, a trend expected to influence both corporate culture and small business operations. Government policies are increasingly directed towards enhancing the conditions for shift workers.

Key areas of focus include:

- **Improving access to childcare facilities, with the objective of bolstering labour market participation among young parents, especially women.** By alleviating childcare concerns, parents are better positioned to engage in the workforce, contributing to economic productivity and their personal career development.
- **Enhancing access to affordable transportation options is another priority.** This effort is particularly aimed at aiding young people in accessing a broader range of job opportunities across their cities. Improved public transport systems not only benefit the workforce but also provide employers with a larger pool of potential employees within a specific geographic area.
- **Reforming pension schemes to better accommodate the needs and capabilities of older Australians.** This initiative goes beyond addressing immediate cost-of-living pressures. By offering greater flexibility for continued employment in old age, these reforms aim to uphold the dignity of older workers and support their ongoing contribution to the workforce.

These initiatives reflect a broader shift towards creating a more inclusive and supportive work environment for individuals across various life stages, thereby strengthening the overall labour market.

AI-supported applications are set to boost the productivity of job-seekers, leading to an increase in overall work participation. This development will particularly benefit time-constrained potential workers, like young mothers or individuals with adult-care responsibilities. Furthermore, improvements in job search applications, particularly in their matching algorithms, will facilitate better job opportunities for both employees and employers in Australia.

However, it's important to note the potential risks automation and AI pose to certain jobs. In extreme cases, these technologies could exacerbate income and wealth inequality. To mitigate such effects, opportunities exist to ensure that AI and automation are leveraged in favour of shift workers.

Key strategies for pro-worker interventions include:

- **Increasing funding for research in human-complementary technology, an area not currently prioritised in the private sector.** There is an opportunity for government and civil society to drive innovation in this space.
- **Reforming tax systems to balance the scales between companies hiring labour and those investing in labour-replacing technology.** For instance, current state employment and payroll tax codes tax companies for hiring additional workers. A more balanced approach would equate the marginal costs of hiring and training workers with investments in labour-replacing technology.
- **Advocating for technology certification to ensure that human-complementary technologies are of sufficient quality for workplace adoption.** Governments can lead by requiring such certifications in public sector spaces, like education and healthcare, setting a precedent for the private sector to follow.
- **Reforming the mandatory savings system (e.g., superannuation) to ensure workers benefit from the long-term capital returns associated with entrepreneurial and company investments in AI and automation technologies.** This reform would align workers' long-term financial interests with the technological advancements in their sectors.

By implementing these strategies, there is potential to harness technological advancements in ways that support and enhance the workforce rather than displacing it. This approach can lead to a more sustainable and equitable labour market, benefiting workers, employers, and the broader economy.

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Navigating Australia's Evolving Employment Landscape

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