

STAYING OPEN

Future Proofing Aussie Hospitality

REPORT



TABLE OF CONTENTS

Introduction	3
Data Analysis	4
Pubs & Bars	13
Accommodation	18
Cafes & Coffee Shops	23
Fast Food & Takeaway	28
Restaurants	34

Introduction

At Deputy, we sit at the heart of the labour market, enabling us to observe and report on the global workforce effectively. In the last two years, we've developed the concept of the "Shift Work Economy," defined as workplaces with paid-by-the-hour employees and scheduled shifts on either an agreed, rotating, or irregular basis.

Our scheduling software collects information on the hours people are scheduled and the hours they work. Deputy's shifts/hours scheduled and shifts/hours worked data provides a key index for how industries with a significant shift worker employee base have performed in the past and will perform in the future. We also collect and analyse granular insights on gender, generations, compliance behaviours, shift worker wellbeing, shift fairness, stability, and more.

In Australia, our organisation is tracking businesses across five sub-sectors of the Hospitality industry (Pubs & Bars, Accommodation, Restaurants, Fast Food & Takeaway and Cafes & Coffee Shops) and the 74,086 shift workers who have been employed by these businesses from January 2020 to date.

The hospitality industry operates with a primarily hourly workforce with flexibility to expand and contract hours of their employees as consumer demand rises and falls. Which positions these businesses as leading indicators of how the economy responds to various trends and events. Today that is the impact of the last two years of the global pandemic and rapidly changing unpredictability of lockdown periods across various areas of the nation.

In powering the rostering for over seventy thousand Australian hospitality workers, Deputy can see labour demand before it materialises. As the hospitality industry is healing from the destruction of COVID-19, this data can help us understand the labour market better and identify the best path forward to economic recovery. Together, these components provide a powerful and unprecedented outlook on the health of the shift work economy.

Deputy's valuable, localised insights can assist industry operators to rethink, rebuild and recover from the impact and establish better ways of working that enable them to keep trading, continue growing and most importantly, stay open.



Ashik Ahmed

Co-founder & CEO at Deputy

Data Analysis

The **Staying Open: Future Proofing Aussie Hospitality** report was produced by leading scheduling software platform, Deputy, utilising anonymised and aggregated Deputy customer data. The report features an industry-focused data analysis of Australian shift workers across the hospitality industry.

Data was collected over a **January 2020 - October 2021** timeline.

A shifting number between **31,044 and 74,086 AU-based hospitality workers** were analysed monthly, as well as **12,013,005 shifts** and **75,452,622 hours** by Deputy and consulting Labor Economist, Shashi Karu. Data Analysts: Carina Murray, Sean Carmichael



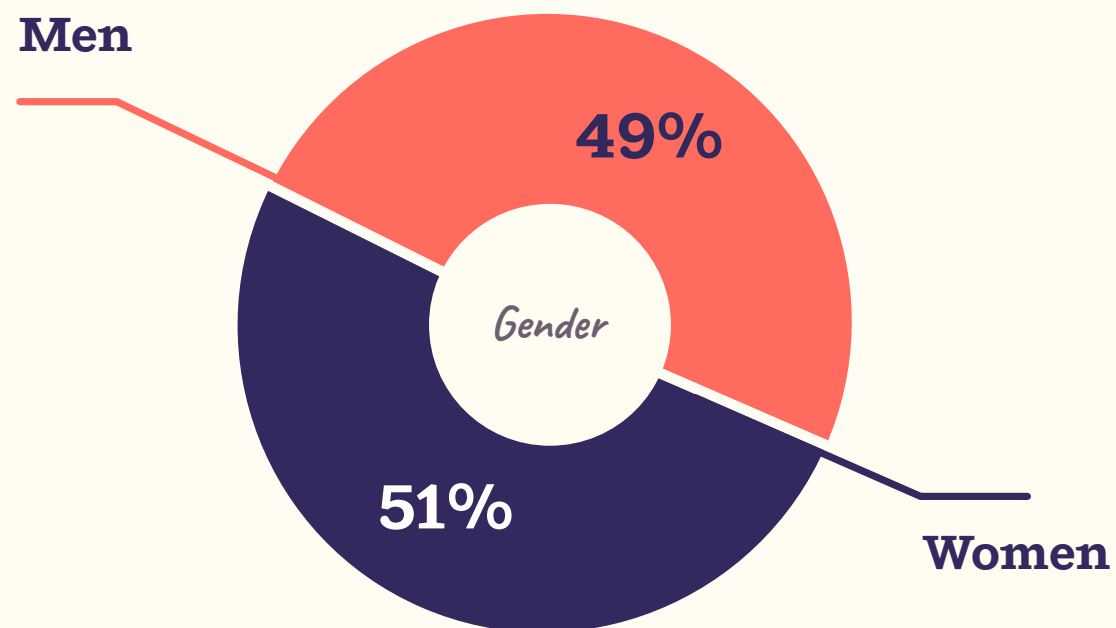
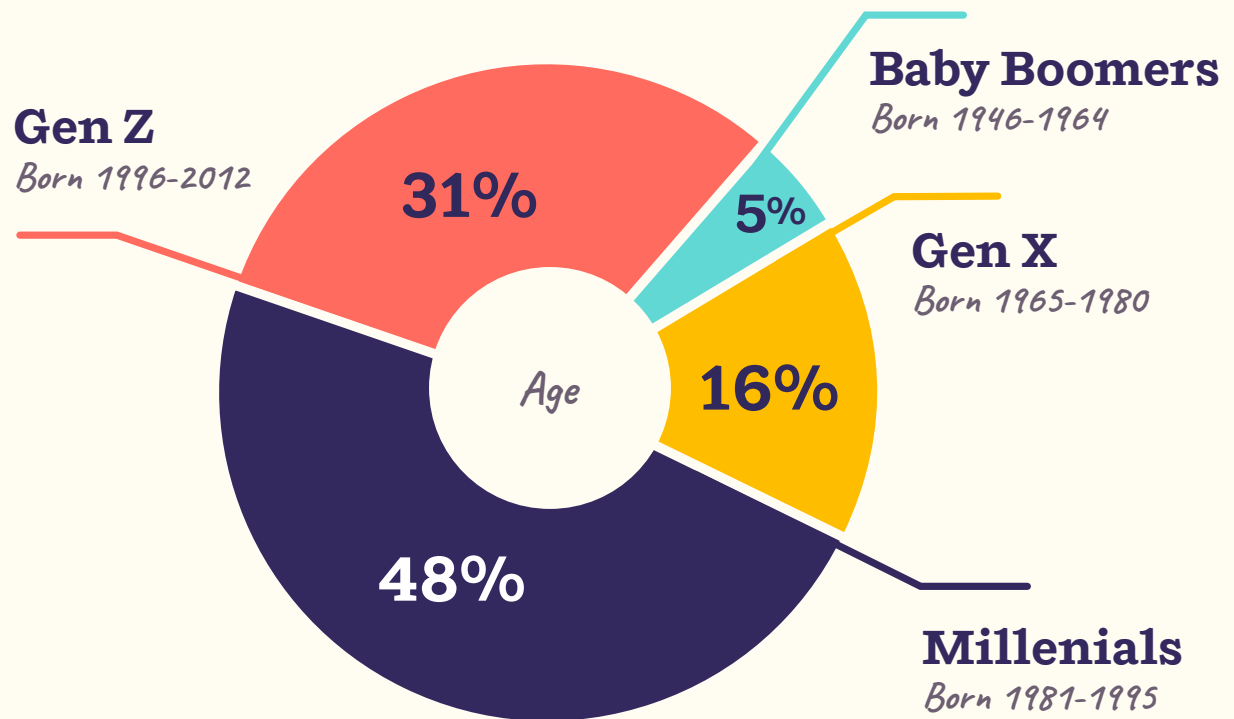
Shashi Karu

Consulting Economist



Industry sample sets will not add up to the overall number of shift workers, this is due to data being analysed from other industries not called out in the report, churn and other events that have occurred between 2020 - 2021. This data has been normalised to account for seasonality and demand of workforce fluctuations throughout the week (e.g. weekday vs. weekends).

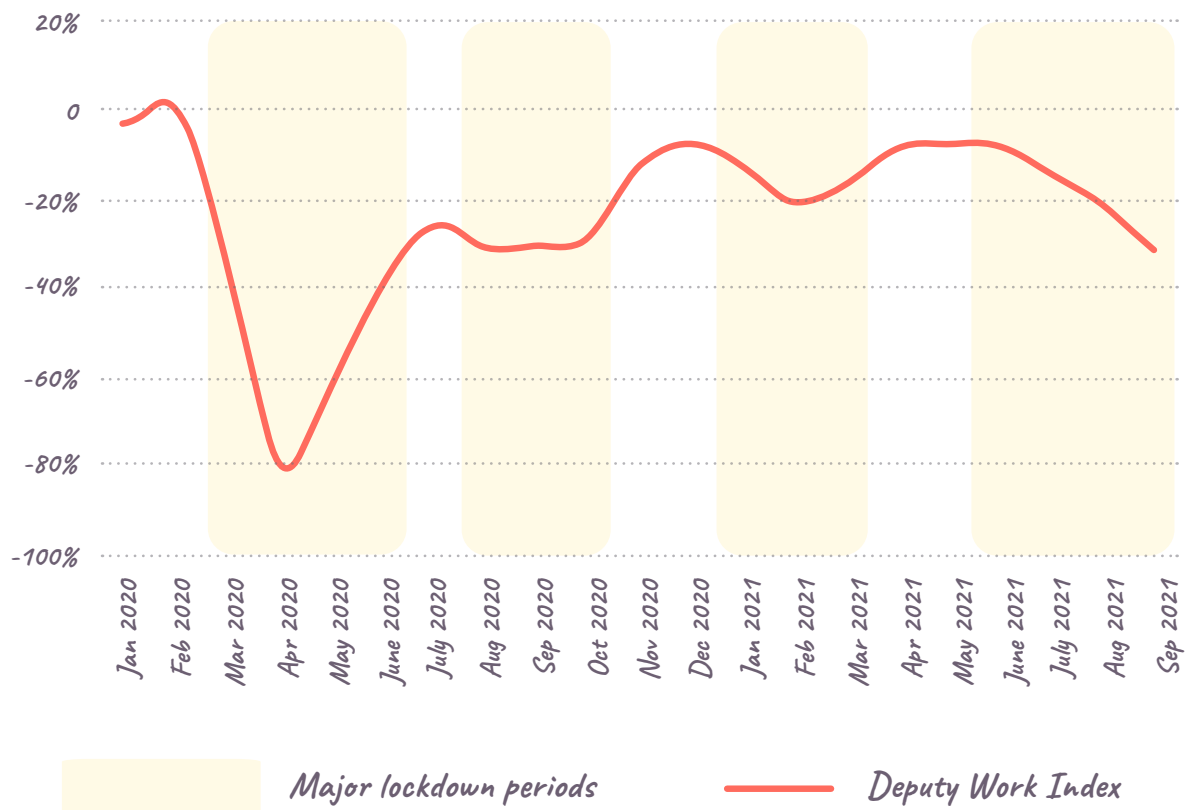
Snapshot of Aussie Hospitality Workforce



Impact of pandemic and state lockdowns on the industry

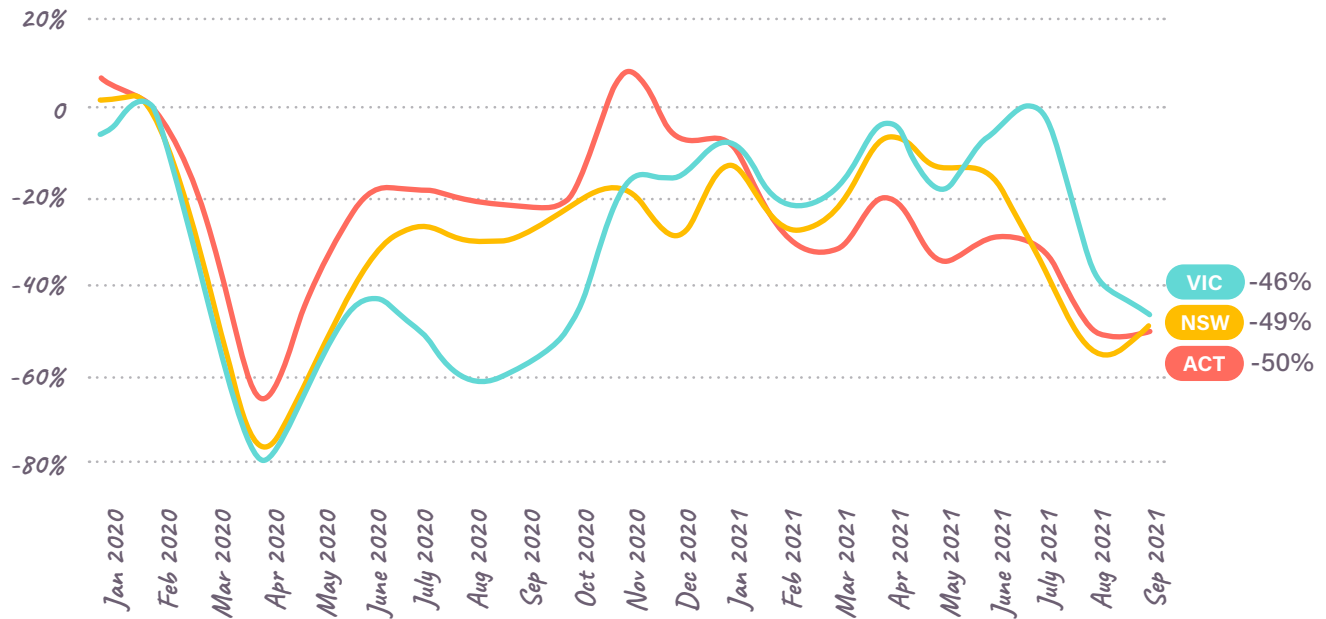
Nation-wide lockdowns led to an **80% decline in shift work hours** across the Australian hospitality industry.

Into 2021, hospitality businesses rostered **30% less shift work hours** compared to pre-pandemic levels of business operations.



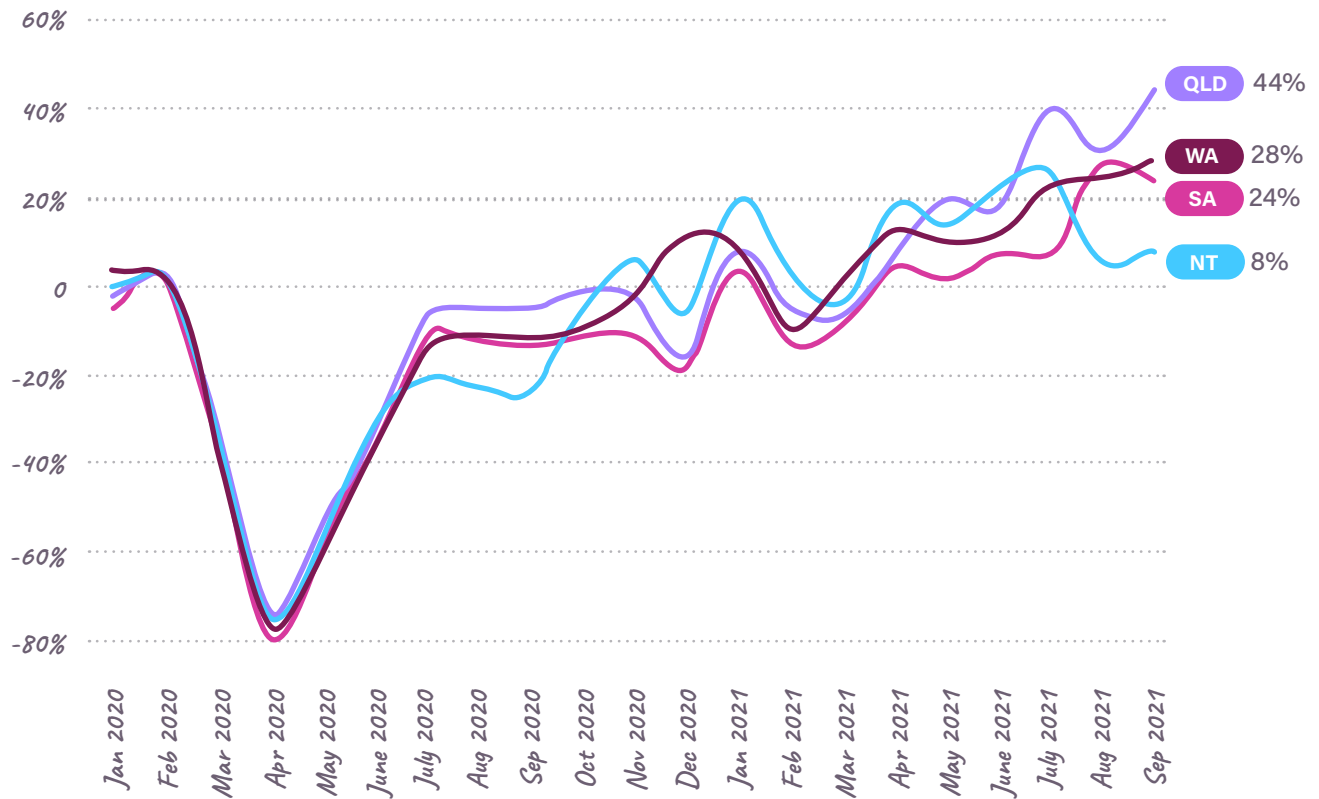
Capacity restrictions and several lockdowns have reduced the revenue earning capacity of the industry. Consequently, the industry continues to operate below its employment capacity.

Victoria, New South Wales and Australian Capital Territory are employing half the number of shift workers compared to the pre-pandemic levels.

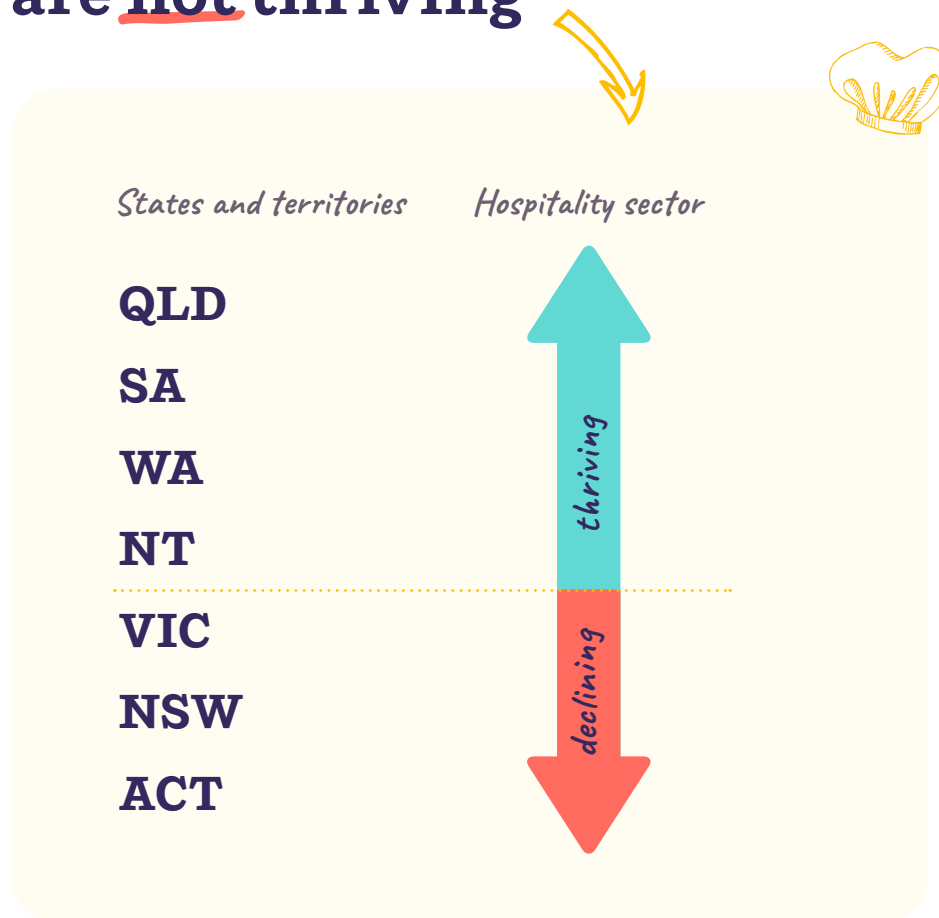


Queensland, Western Australia, South Australia and Northern Territory have seen an increased amount of shift work hours, exceeding pre-pandemic levels of employment.

This has been driven by less exposure to restrictions and interstate travel bans, international travel bans and a domestic tourism boom as well as spending restrictions and over \$200 billion in household savings.



Victoria & New South Wales are not thriving

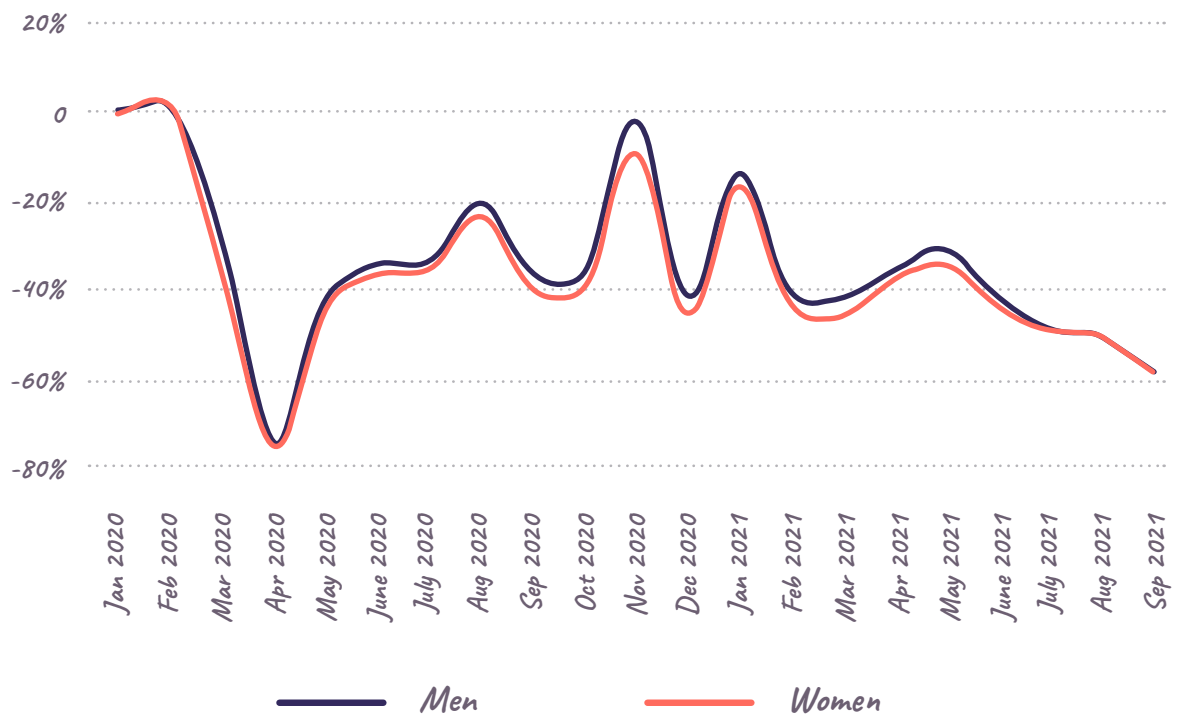


Women are more likely to exit the workforce

Women across all age groups have been hit the hardest by COVID-19 and the economic crisis. The 2021 Pulse of the Nation Surveys (TPTN) finds that women are more likely to be unemployed compared to men.

Women were more likely to be a casual worker with less than one year tenure and therefore less likely to receive financial support via JobSeeker and JobKeeper. The pandemic also increased family demands, amplified work-family conflicts and mental health distress. This was most acute amongst parents with children, particularly fathers, as they were less likely to transition to flexible working arrangements.

Women have adjusted better to flexible work, fewer working hours, less managerial responsibilities or have left the workforce entirely.

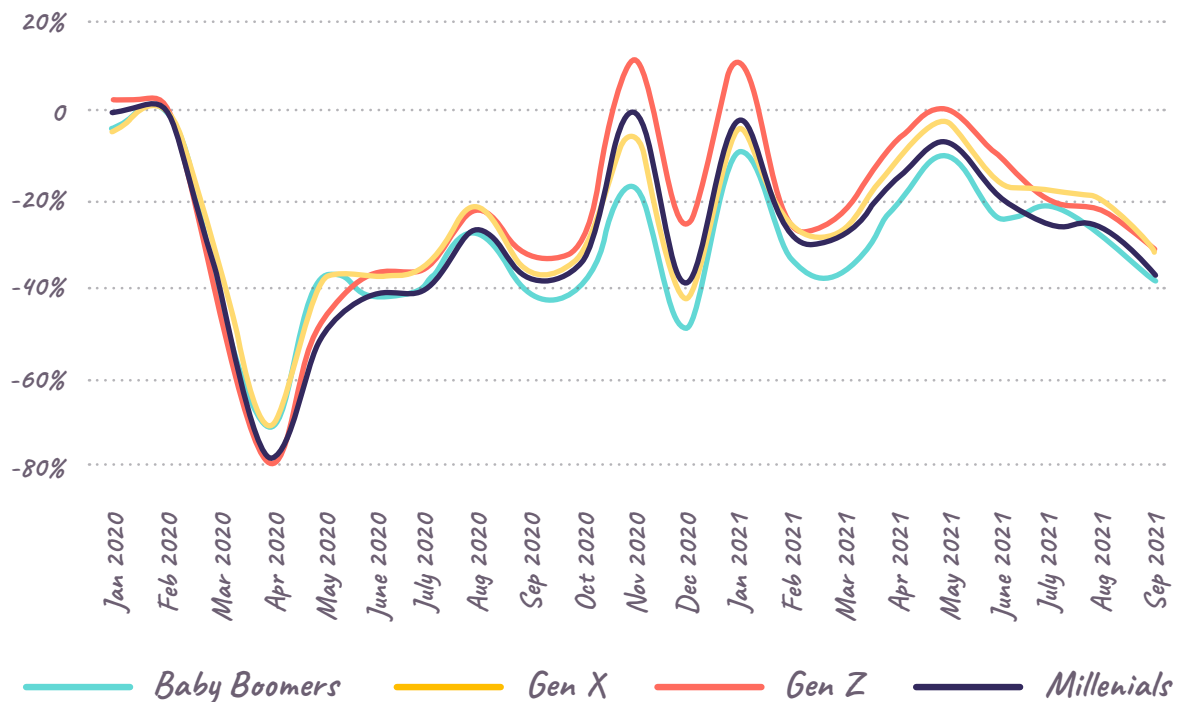


Women were more affected by a decline in shift work and COVID-19 restrictions. They also experienced an additional -1.2% decline in shift work hours, compared to men.

Sectors	Impact on Women in Shift Work?	Relative Shift Work Decline
Bars and Pubs	Yes	-0.1%
Accommodation	Yes	-2%
Cafes and Coffee Shops	-	-
Fast Food and Chain Restaurants	-	-
Sit Down Restaurants	Yes	-6%

Baby boomers least financially affected by COVID-19 restrictions

TPTN finds Baby Boomers were least financially affected by COVID-19 restrictions. However, Baby Boomers were the most affected by the decline in shift work hours, recording an additional decline of 3.6% in shift work hours compared to their peers. As a result many exited the workforce, some for early retirement.



Sectors	Most affected Generation	Relative Shift Work Decline
Bars and Pubs	Gen Z	-4.3%
Accommodation	Gen Z	-11.7%
Cafes and Coffee Shops	Gen Z	-4.0%
Fast Food and Chain Restaurants	Baby Boomers	-6.7%
Sit Down Restaurants	Baby Boomers	-5.3%

More than 140,000 new hospitality jobs over the next 5 years

In 2020 the National Skills Commission forecasted there would be a creation of over 140,000 new jobs in the Hospitality industry over the next 5 years. And with remote working here to stay, local neighbourhood hospitality will remain strong into the future.

This will see a revitalisation of local shopping centres (office spaces), retail strips and neighbourhood pubs and bars. It is our belief that inner city Sydney and Melbourne will be permanently impacted due to the exit or reduction of remote workers and office spaces. We expect to see a considerable amount of government support packages and spending stimulus programs to help address this.

Due to a gradual but measured opening of international travel borders, we predict there will also be a domestic travel boom. This boom will likely be aided by Australians who have built up an excess of \$200 billion in household savings over the last two years. We anticipate that there will be Government support packages focused on boosting hospitality businesses in regional Australia.

Talent shortages will create a shift workers job market

Looking ahead there is set to be critical worker shortages in the hospitality sector. The competition to attract and retain talent will be unprecedented and the worker will have more bargaining power than previously seen in the industry. This will result in higher wages and more secure working conditions for individuals.

When it comes to the fear of losing employment in the hospitality sector due to automation, early indicators suggest that the adoption of labour-replacing technology (automated self-checking processes and apps) will be more likely to compliment hospitality workers (human connection and customer experience can't be easily automated!) creating a better all around customer experience.

Movement restrictions and remote working in residential neighbourhoods have renewed support for nearby community spaces and local patronage opportunities – including local hospitality venues. In the near term, we expect remote working to remain in many Australian cities – a trend which is likely to support spending on local food and entertainment opportunities (including neighborhood pubs) in residential suburban areas.

On the other hand, the outward relocation of inner-city workers is likely to permanently impact hospitality businesses in the CBD. In the near term, city and state governments are anticipated to support inner-city businesses through stimulus programs, using rebate schemes and spending vouchers.

This is likely to support the recovery of hospitality operators in the near term. Furthermore, government interventions to stimulate the domestic tourism industry are likely to benefit the hospitality industry, particularly Accommodation providers, regional Australian businesses and destination dining venues.

Nevertheless, the industry is anticipated to experience worker shortages in the short and medium term, given travel restrictions and the dependence of some sectors on international workers. As a result, significant business competition is anticipated to take place to attract and retain talent, both in potentially offering higher wages but also improved and more secure working conditions. Worker shortages could also see an increase in demand for and improvement of shift work conditions for women, Gen Z, Baby Boomers and people with disability (i.e. those most affected by existing working conditions).

Looking to the near term, some worker shortages are likely to be compensated by labour-replacing technologies - for example, digital payment systems and mobile applications that allow patrons to order within restaurant venues. While these may raise concerns of the automation of hospitality workers, these technologies are more likely to compliment hospitality workers, by allowing them to focus more on social connection and customer experiences.

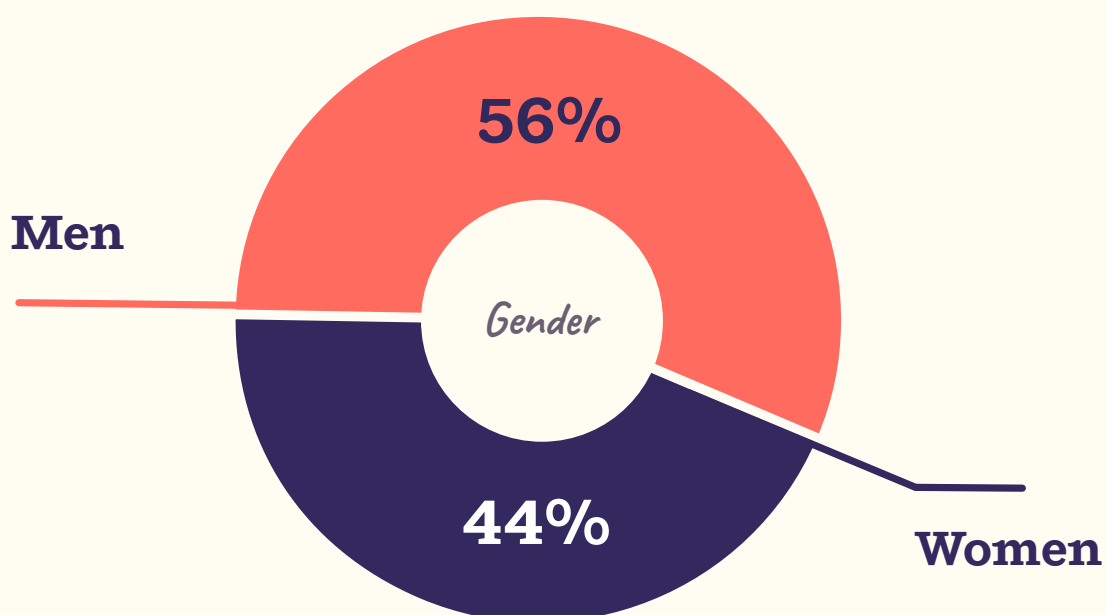
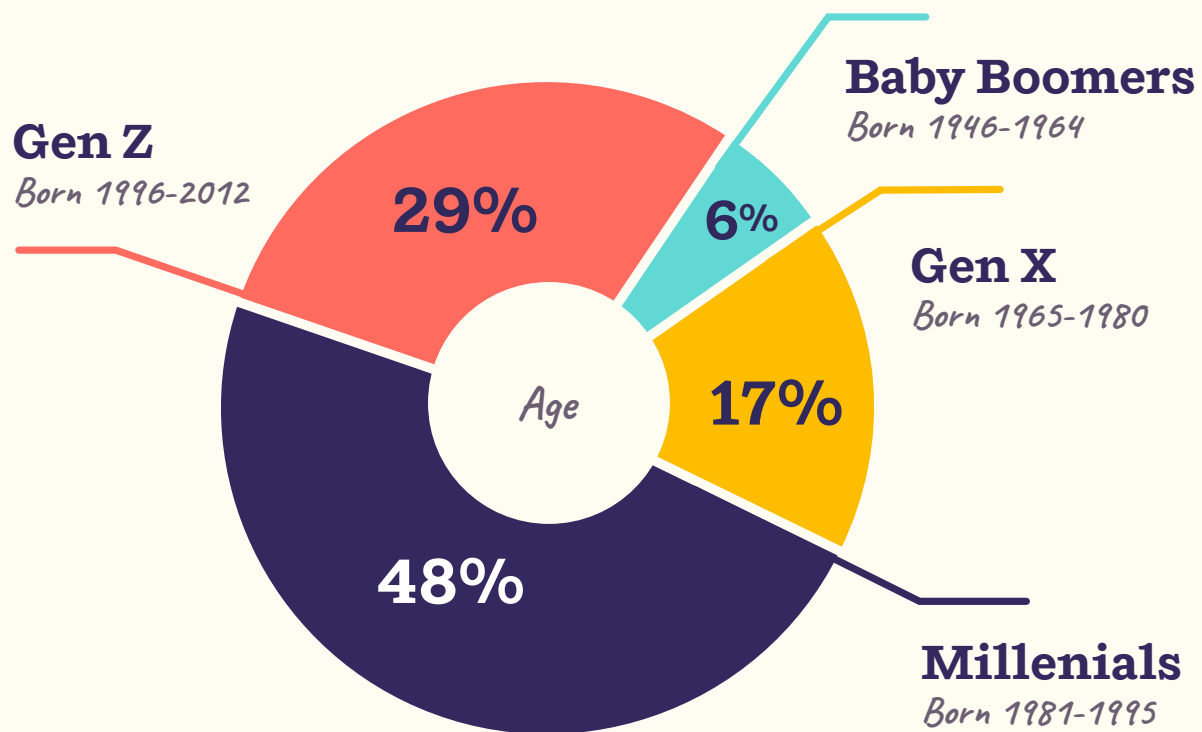
Pandemics are known to result in significant labour market reforms



- The Spanish flu led to socialised medicine reform and paid sick leave.
- In South Korea the COVID-19 pandemic delivered more financial security for freelancers, gig-workers and the self-employed who now have access to publicly financed paid sick leave.
- Locally we expect that as fathers are more affected by work-family conflicts this will actually drive Australian childcare reforms.

PUBS & BARS

Snapshot of Workforce



PUBS & BARS

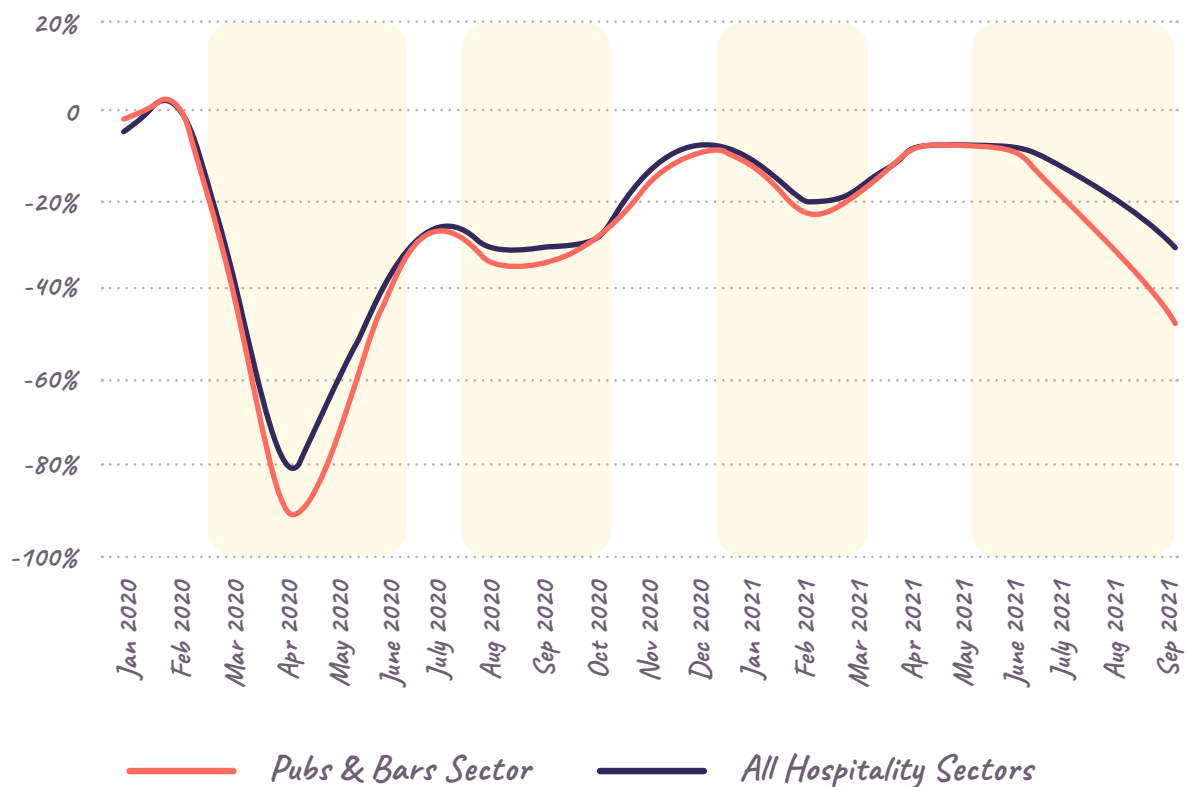
Pubs & Bars continue to operate at half their employment capacity

The pandemic has significantly affected the Bars and Pubs sector. Owing to the initial nation-wide lockdowns, shift work hours in the sector declined by over 90%, greater than employment declines seen in the rest of the Hospitality industry.

While the sector has continued to recover, capacity restrictions and several lockdowns from NSW and VIC have reduced the revenue earning capacity of the sector. Consequently, Bars and Pubs continue to operate at nearly half their employment capacity in 2021.

Deputy shift work data highlights the vulnerability of the Bars and Pubs sector. While restaurant businesses were able to adapt to opportunities in food delivery and take-away services, these were limited for Bars and Pubs, who were otherwise more dependent on music and entertainment, on-site patronage and expenditure on drinks.

Furthermore, alcohol regulations and competition from take-away liquor stores dampened their ability to pivot to opportunities in take-away alcohol.



PUBS & BARS

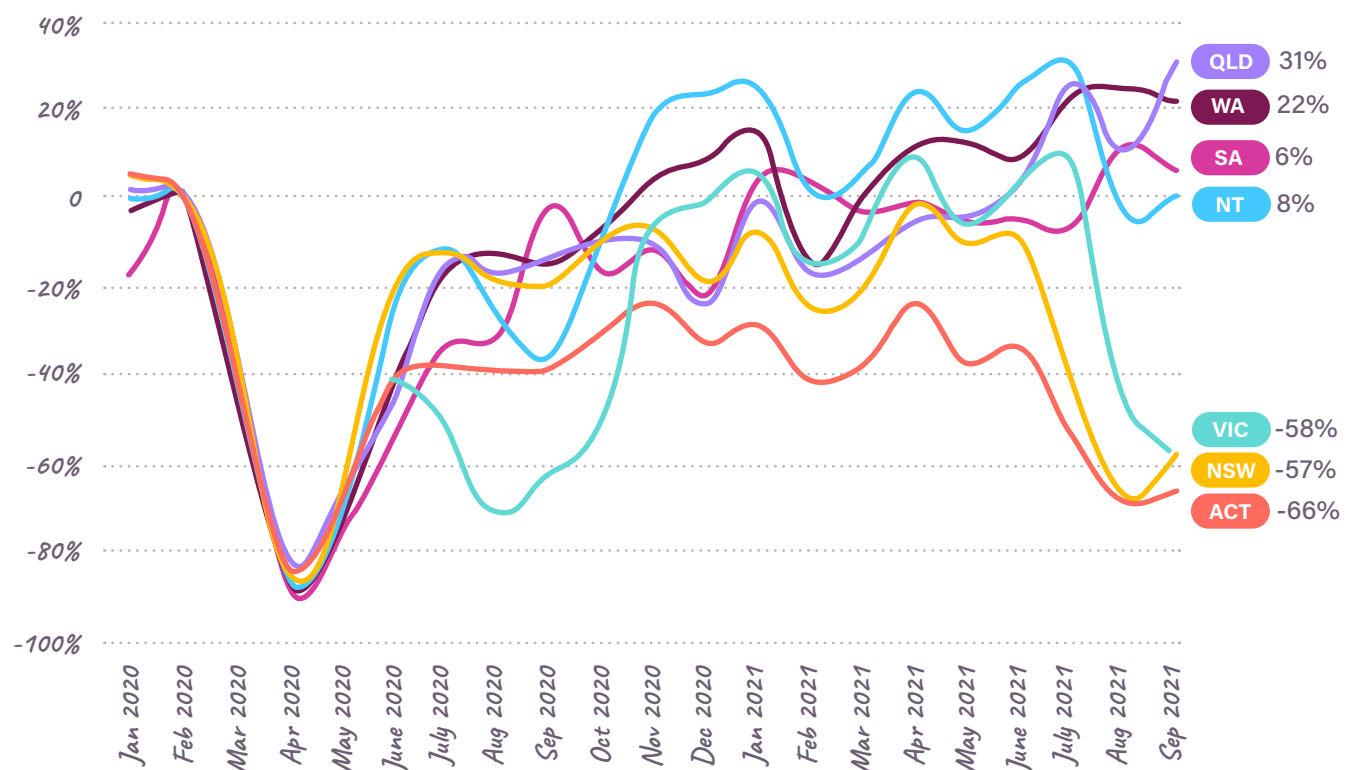
Pubs & Bars found it difficult to pivot under pandemic settings

Deputy shift work data finds that the Bars and Pubs sector is operating well-below their employment capacity, particularly in States that have experienced prolonged periods of lockdowns.

Most notably, VIC, NSW and ACT are employing less than half the shift workers compared to business operations before the pandemic. These trends highlight the difficulty of Bars and Pubs to pivot under pandemic settings.

Nevertheless, States and Territories that have experienced relatively less restrictions (such as QLD, WA, SA and NT) have seen shift work employment exceed their pre-pandemic levels. This is driven by a boom in domestic tourism expenditure due to the international travel ban; and excess savings from Australian households, as a result of restrictions during the pandemic.

As VIC, NSW and ACT continue to exit from COVID-19 restrictions, these states are likely to experience a boom in expenditure and employment, as seen in the rest of Australia.

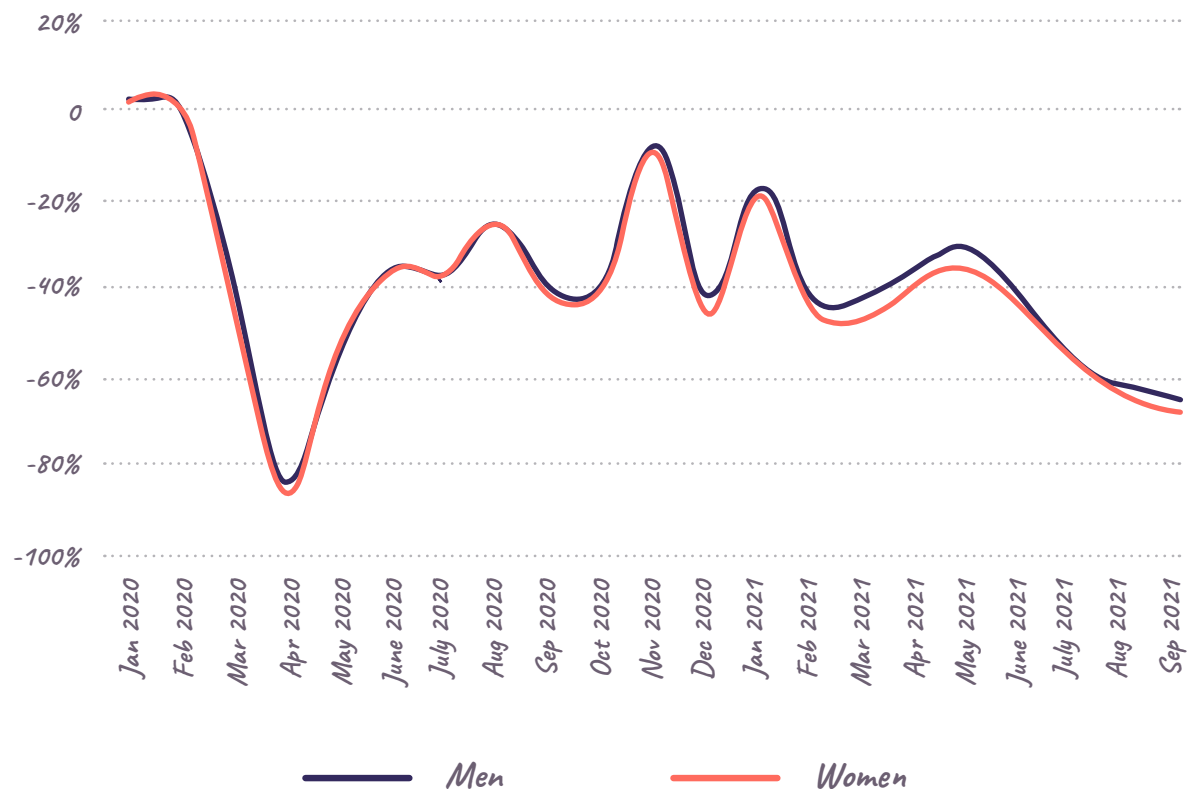


PUBS & BARS

Women were disproportionately affected by restrictions

The COVID-19 experience has also revealed that, while both men and women in hospitality saw declines in work hours, women were disproportionately more affected by these restrictions.

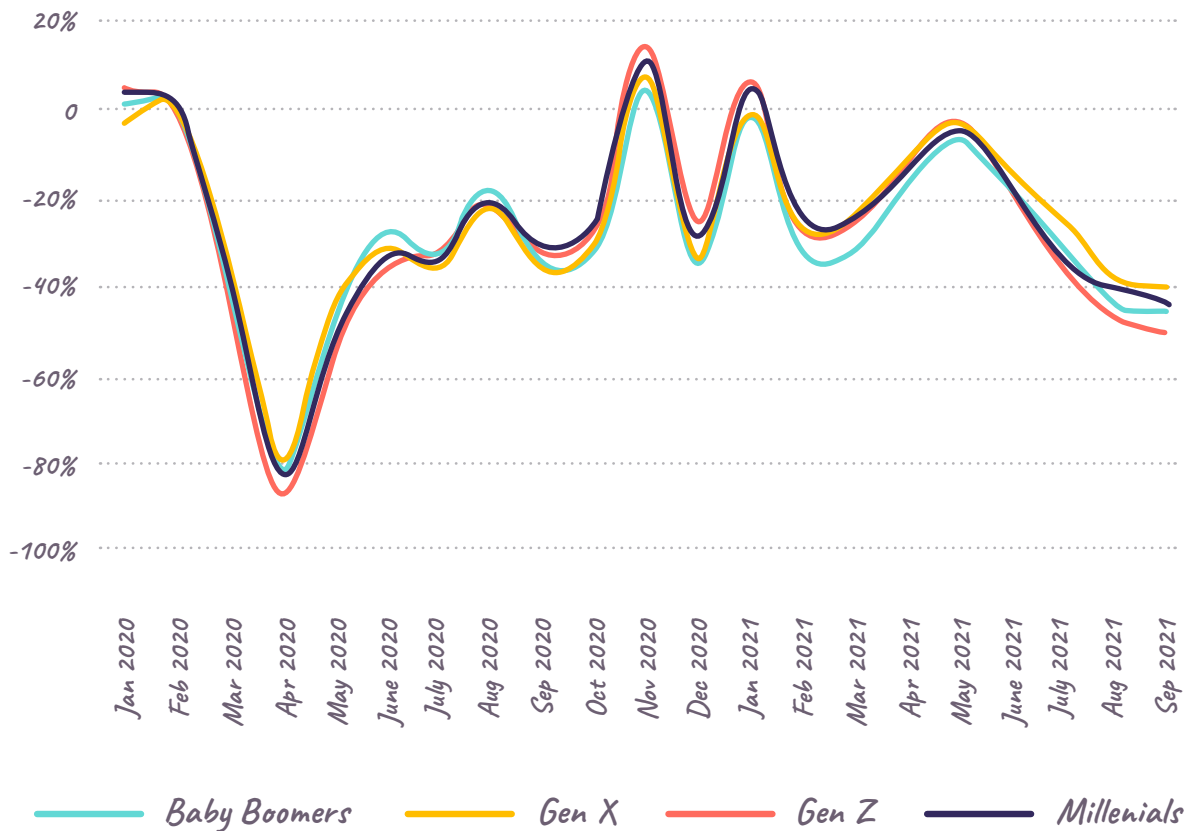
Women in shift work were found to experience an additional -0.1% monthly decline in shift work hours, compared to men, during the 2020 and 2021 lockdown periods.



Deputy shift work data also reveals that, while all generations saw declines in work hours, Gen Z were the most affected by government-mandated restrictions.

At the peak of the pandemic in 2020, Gen Z shift workers were found to experience an additional 4.3% decline in shift work hours, compared to their nearest counterpart.

PUBS & BARS



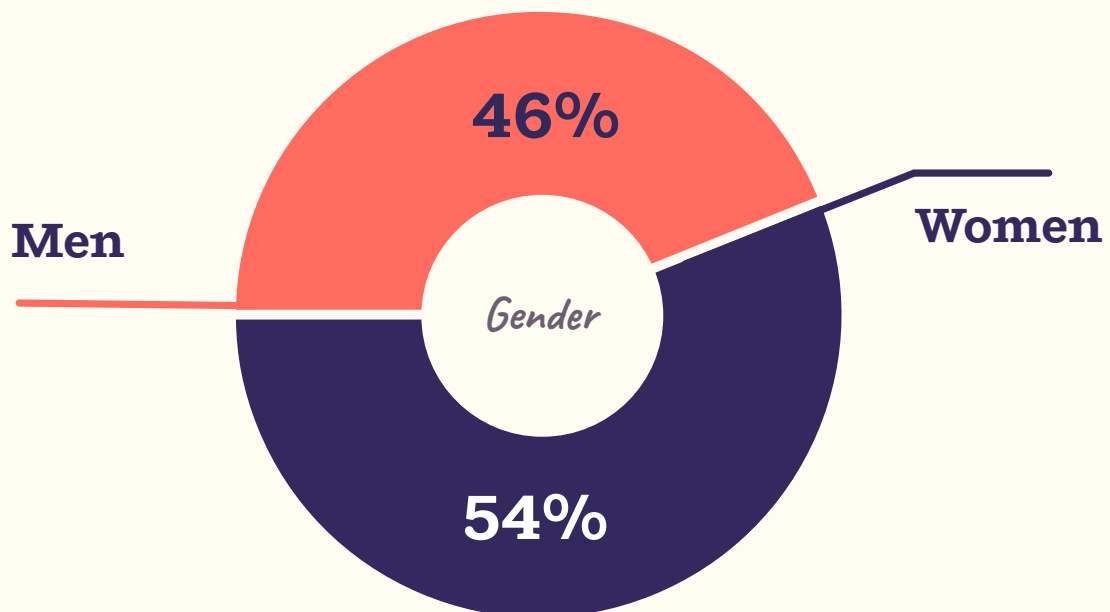
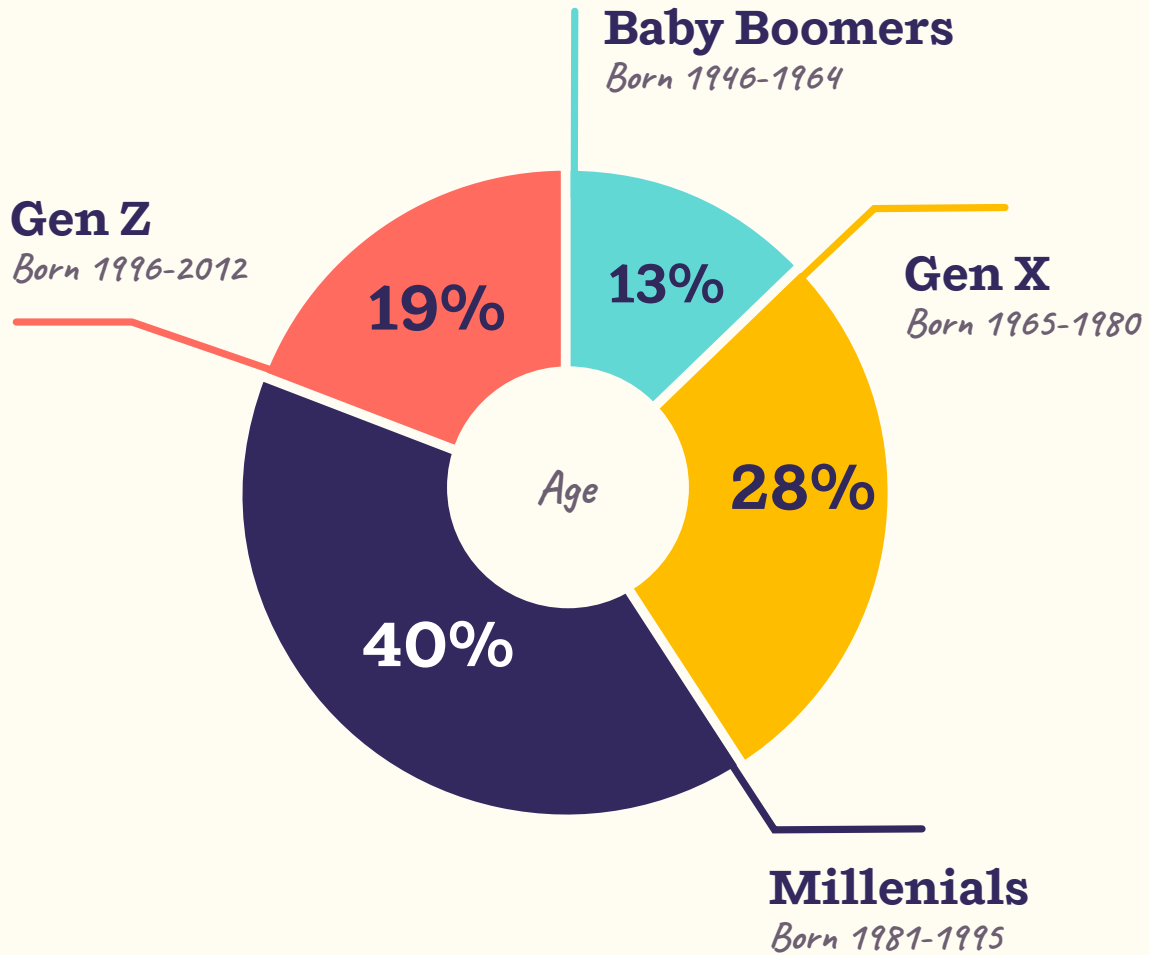
While traditional neighbourhood pubs have largely declined in the past decade, movement restrictions and remote working have led to a revitalisation in neighbourhood spaces and local patronage opportunities – one of which is the local neighbourhood pub.

In the near term, we expect remote working to remain in many Australian cities – a trend which is likely to support spending on local food and entertainment opportunities (including neighbourhood pubs) in residential suburban areas.

On the other hand, the outward relocation of inner-city workers is likely to permanently impact hospitality businesses in the CBD. In the near term, city and state governments are anticipated to support inner-city businesses through stimulus programs, using rebate schemes and spending vouchers. This is likely to support the recovery of inner-city bars and pubs into the near term. Furthermore, government interventions to stimulate the domestic tourism industry are likely to benefit bars and pubs, particularly those located in regional Australia.

ACCOMMODATION

Snapshot of Workforce

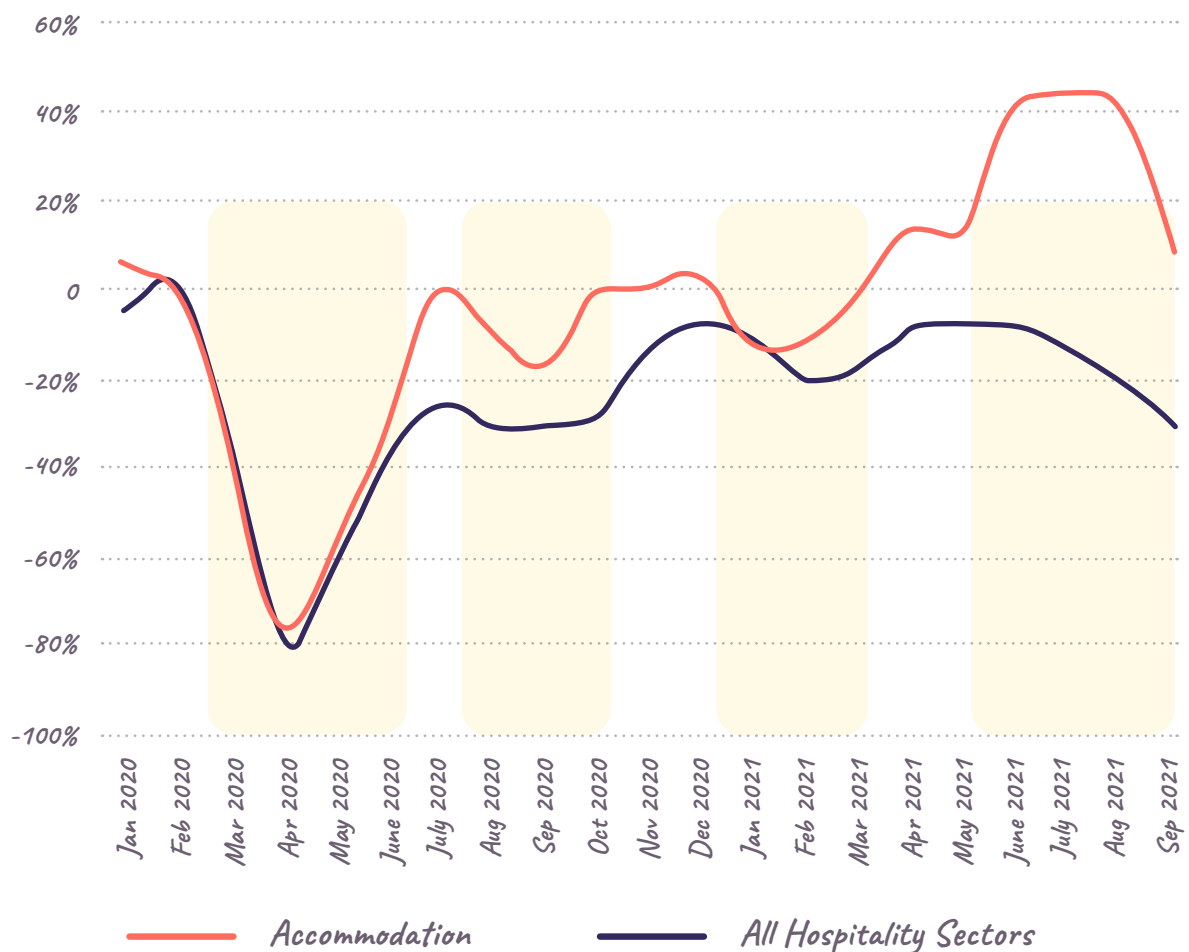


ACCOMMODATION

Hotel quarantine and domestic travel have kept the Accommodation sector relatively stable

The COVID-19 pandemic significantly affected the Accommodation sector. During the 2020 nation-wide lockdown, the sector saw a decline of nearly 80% in shift work. Nevertheless, the Accommodation sector has continued to recover since, with shift work employment at over 40% greater than pre-pandemic levels.

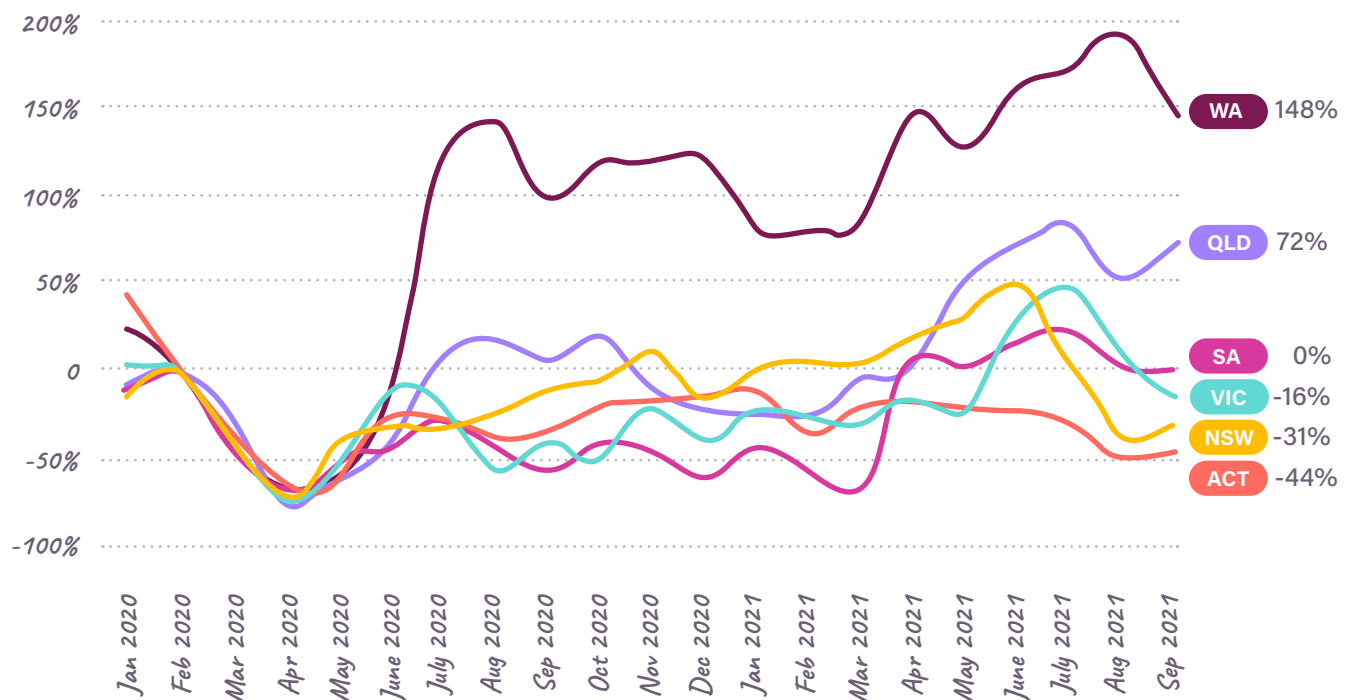
Shift work data highlights the resilience of the Accommodation sector, compared to the rest of its peers in the Hospitality industry. The combination of support from hotel quarantine, combined with a resurgence in domestic travel and Accommodation, has supported growth and recovery of the Accommodation sector into 2021.



Industry growth trends are driven by the boom in intra-state domestic tourism in states that have experienced less lockdowns, including QLD and WA. Nevertheless, Deputy shift work data also finds that States that have experienced prolonged periods of lockdown continue to operate below their pre-pandemic capacity.

Notably, VIC, NSW and ACT are employing around nearly 30% less shift work hours. Even Accommodation in SA (which experienced less restrictions) has seen a decline in employment levels, in part due to their dependence on visitors from VIC and NSW and interstate travel bans.

While revenue from hotel quarantine continues to support the industry in VIC, NSW and SA, these are unlikely to be enough to compensate for the decline in tourism visitors. As states and territories continue to exit from lockdowns and interstate travel bans, the industry is anticipated to benefit from a boom in domestic tourism travel.

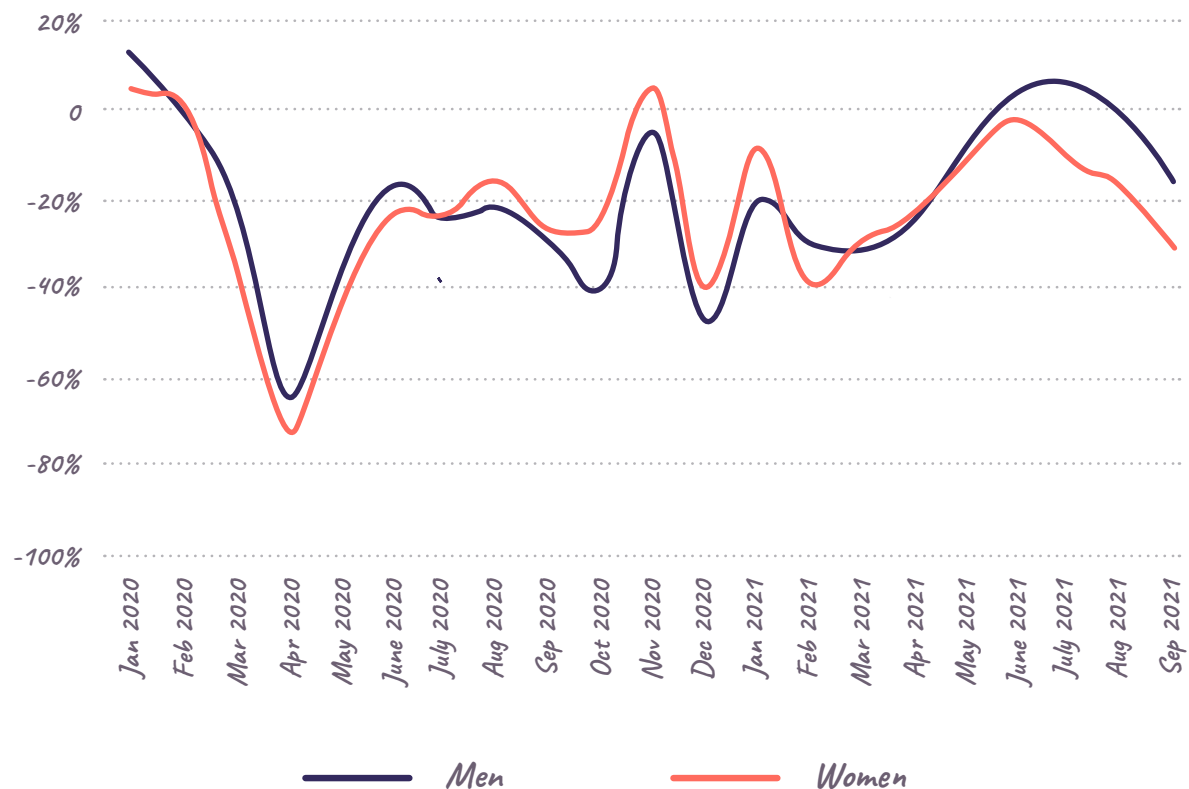


ACCOMMODATION

Generation Z most affected by lockdown restrictions

The COVID-19 experience has also revealed that, while both men and women working in Accommodation saw declines in work hours, women in accommodation shift work were disproportionately more affected by reduction in work hours.

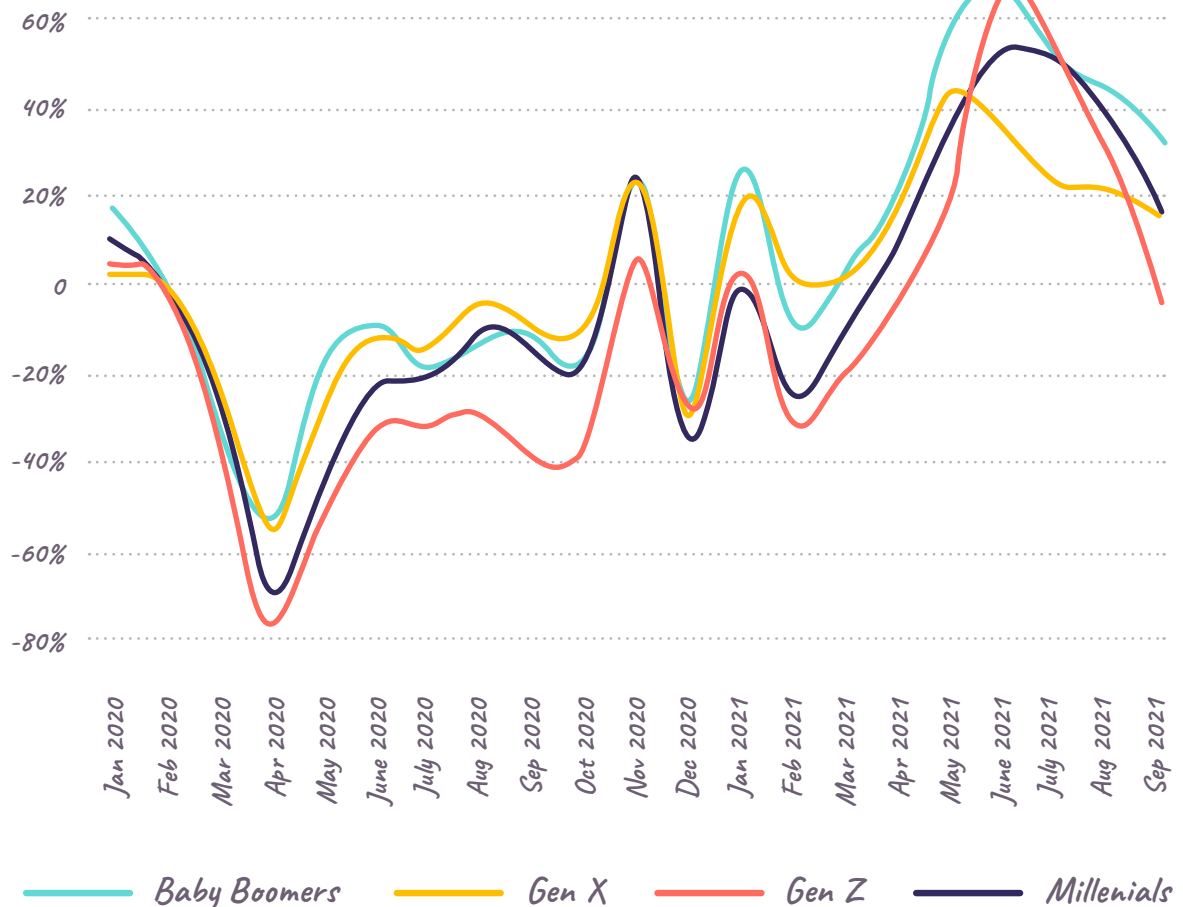
Women were found to experience an additional -2% monthly decline in shift work hours, compared to men, during the 2020 and 2021 lockdown periods.



Deputy shift work data also reveals that, while all generations saw declines in work hours, Gen Z were the most affected by government-mandated restrictions. At the peak of the pandemic in 2020, Gen Z shift workers were found to experience an additional 11.7% decline in shift work hours, compared to their peers.

ACCOMMODATION

Deputy shift work data also reveals that, while all generations saw declines in work hours, Gen Z were the most affected by government-mandated restrictions. At the peak of the pandemic in 2020, Gen Z shift workers were found to experience an additional 11.7% decline in shift work hours, compared to their peers.

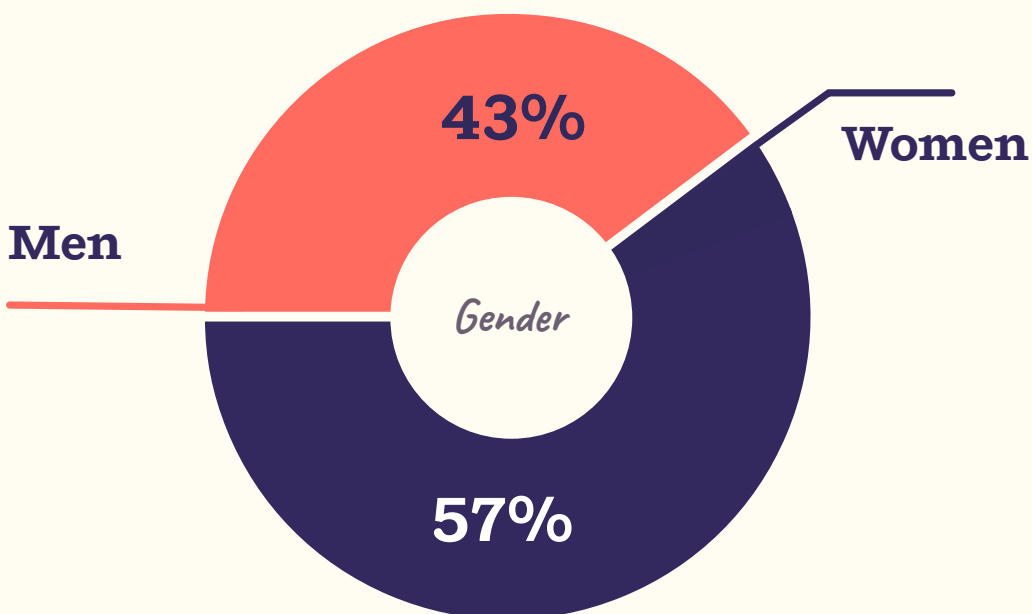
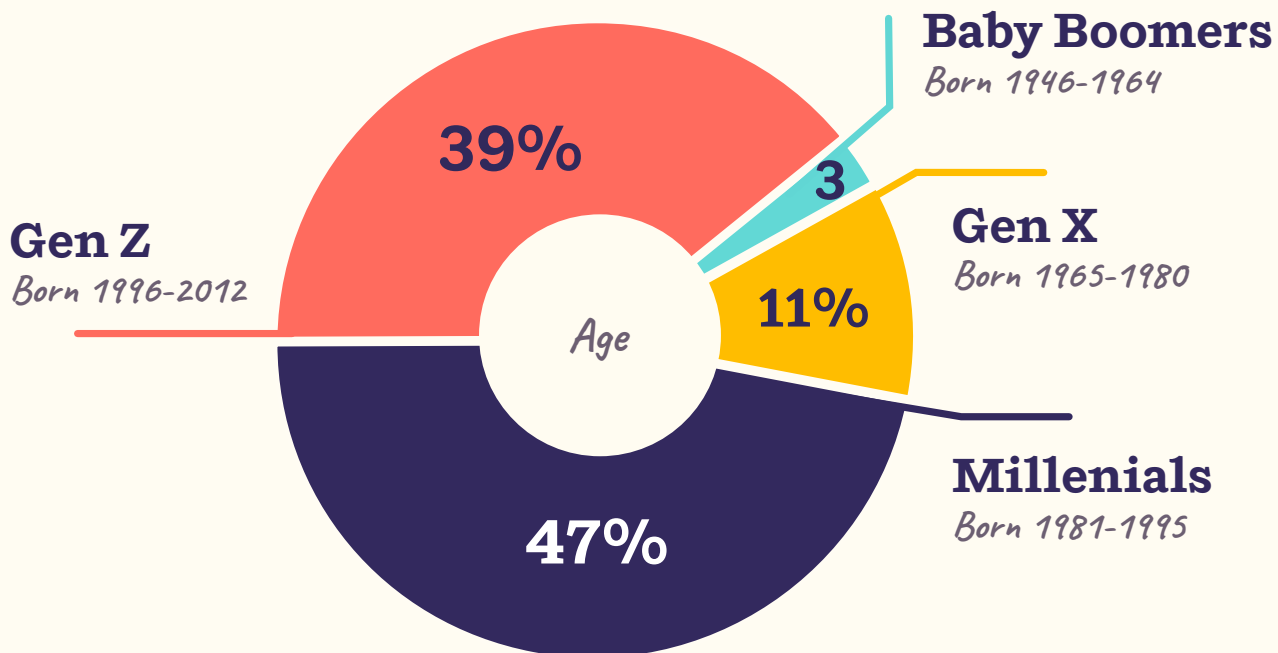


In the near term, city and state governments are anticipated to support inner-city businesses through stimulus programs, using rebate schemes, spending vouchers and Accommodation vouchers. This is likely to support the recovery of Accommodation operators to the near term. Furthermore, government interventions to stimulate the domestic tourism industry are likely to benefit the hospitality industry, particularly regional Accommodation providers.

Nevertheless, the industry is anticipated to experience worker shortages in the short and medium term, given travel restrictions and the dependence of some sectors on international workers. As a result, significant business competition is anticipated to take place to attract and retain talent, both in potentially offering higher wages but also improved and more secure working conditions.

CAFES & COFFEE SHOPS

Snapshot of Workforce



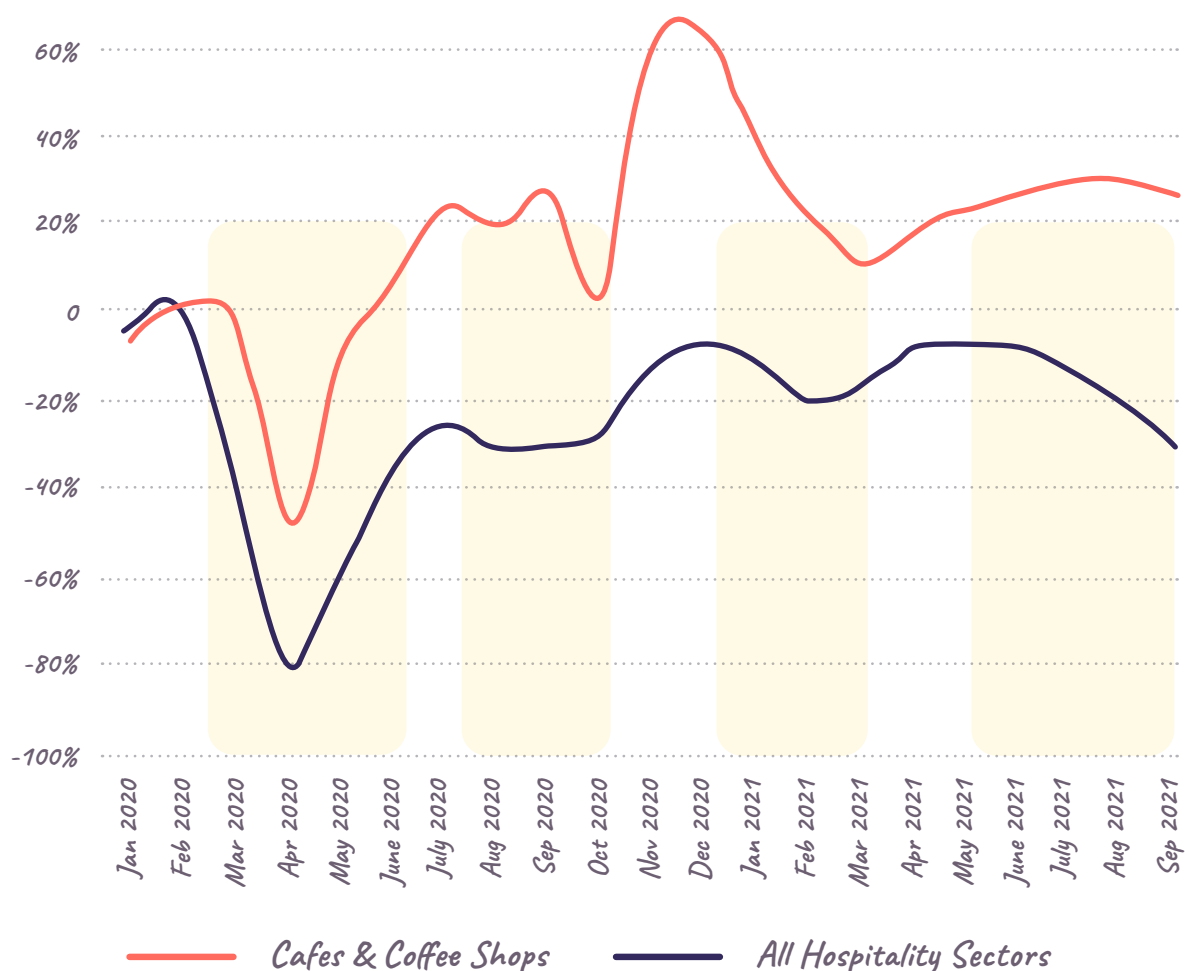
CAFES & COFFEE SHOPS

Local cafes & coffee shops remained resilient throughout lockdown periods

The pandemic led to revenue declines in the Cafes and Coffee Shops sector. In April 2020, shift work employment fell by over 40%. However, the sector has remained resilient (perhaps, even thrived) throughout the COVID-19 pandemic.

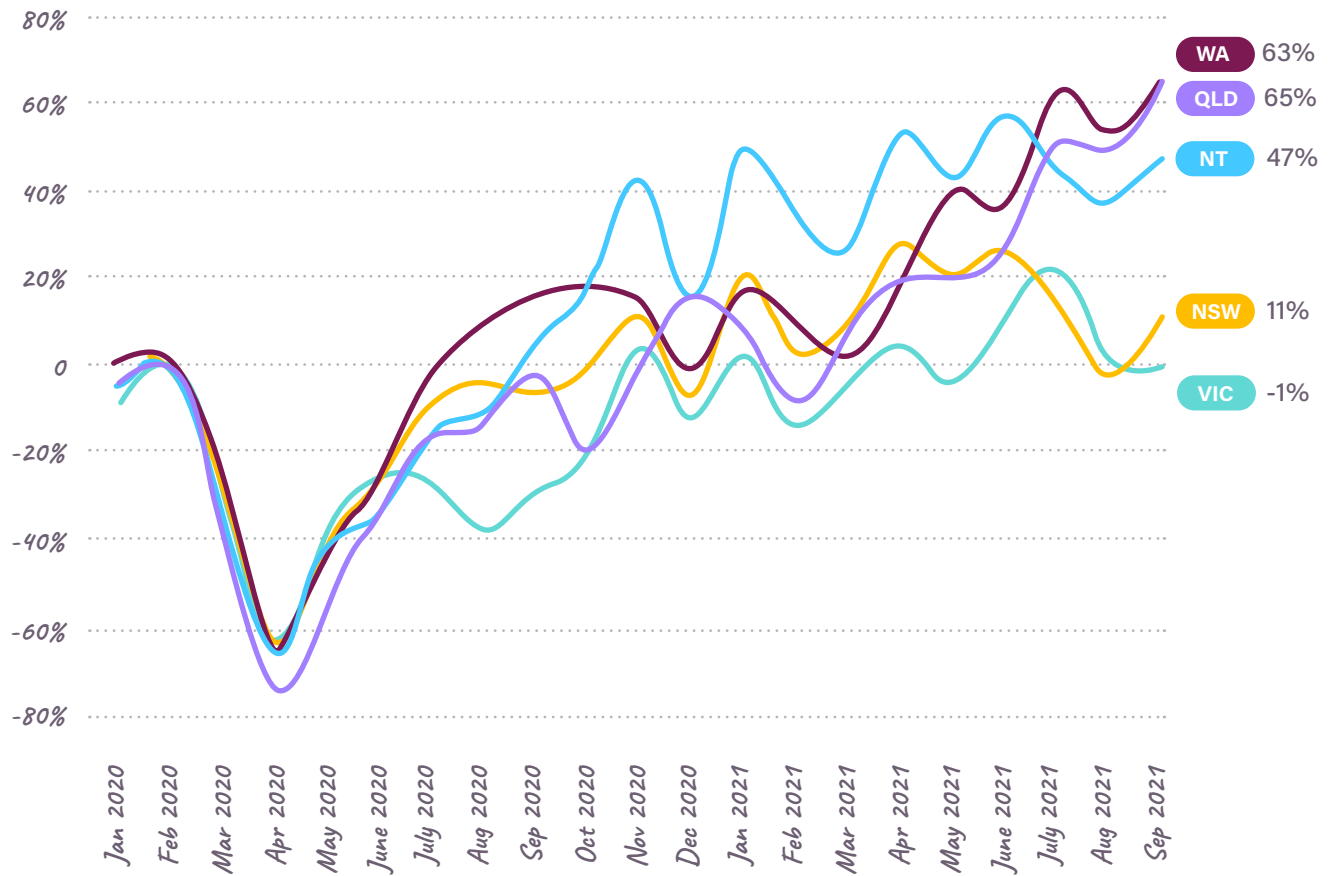
Since April 2021, shift work hours have continued to improve and remained significantly higher than employment levels before the pandemic. Shift work data highlights the resilience of the Cafes and Coffee Sector, compared to the rest of its peers in the Hospitality industry.

The combination of the relocation of remote workers to neighborhood suburbs, combined with excess domestic savings, has supported employment growth of the industry into 2021.



The Deputy shift work data finds that the Cafes and Coffee Shop sector is operating well above their pre-pandemic employment levels, particularly in states that have experienced less lockdowns (like WA, QLD and NT).

Even for States that have experienced prolonged periods of lockdowns, like VIC and NSW, shift work trends have grown or largely remained the same for the Cafes and Coffee shops sector.

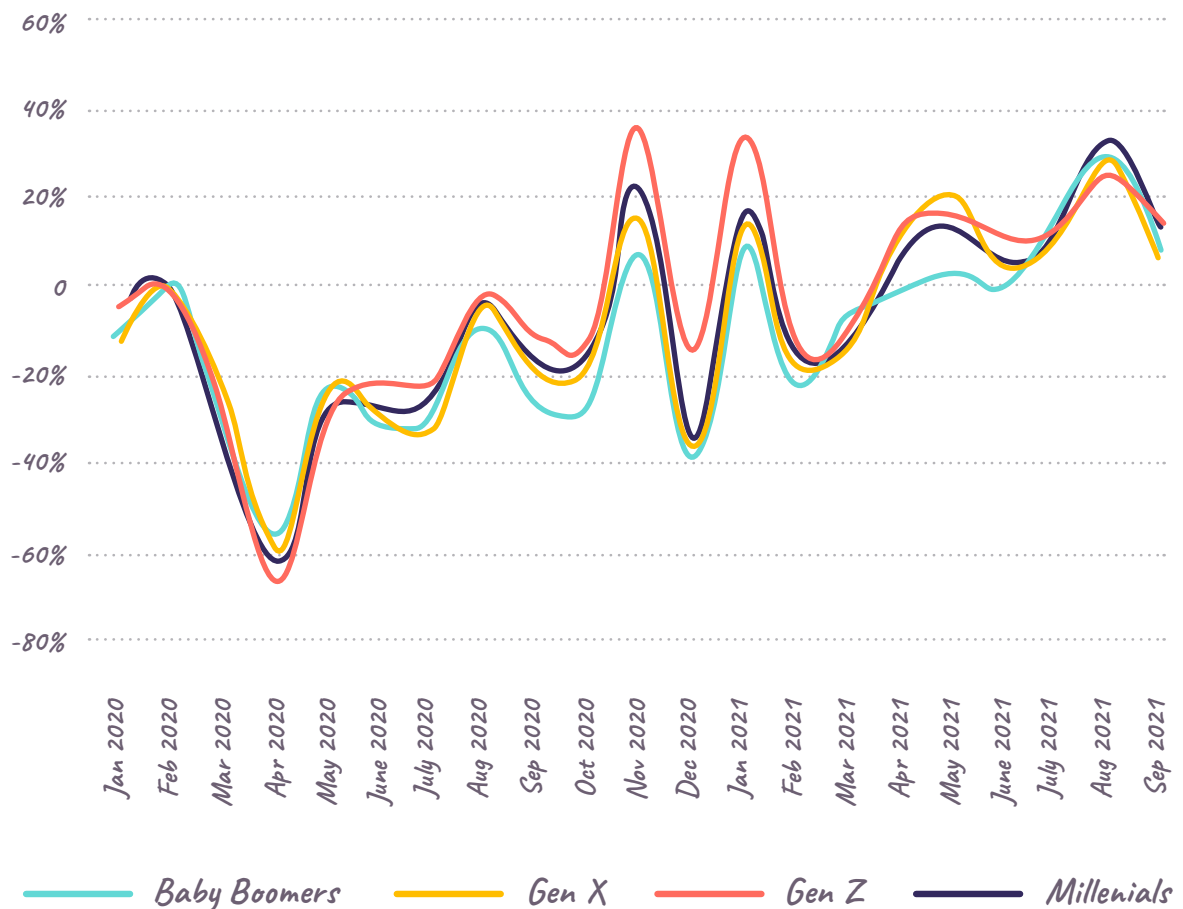


CAFES & COFFEE SHOPS

The relocation of the remote workforce directed spending towards local neighbourhood businesses

These trends are in part due to the relocation of the remote workforce, which has supported discretionary spending in neighbourhood hospitality businesses, like cafes and coffee shops.

Furthermore, restrictions have limited the spending capacities of Australian households, leading to over \$200 billion in household savings. As these States opened from the initial 2020 restrictions, Australian households have redirected this savings into the economy, through expenditure in local businesses like the hospitality industry.



CAFES & COFFEE SHOPS

Deputy shift work data also reveals that, while all generations saw declines in work hours, Gen Z were the most affected by reduction in work hours from government-mandated restrictions.

At the peak of the pandemic in 2020, Gen Z shift workers were found to experience an additional 4% decline in shift work hours, compared to their nearest counterparts.

Movement restrictions and remote working in residential neighborhoods have renewed support for nearby community spaces and local patronage opportunities – one of which is the local neighborhood cafe and coffee shop.

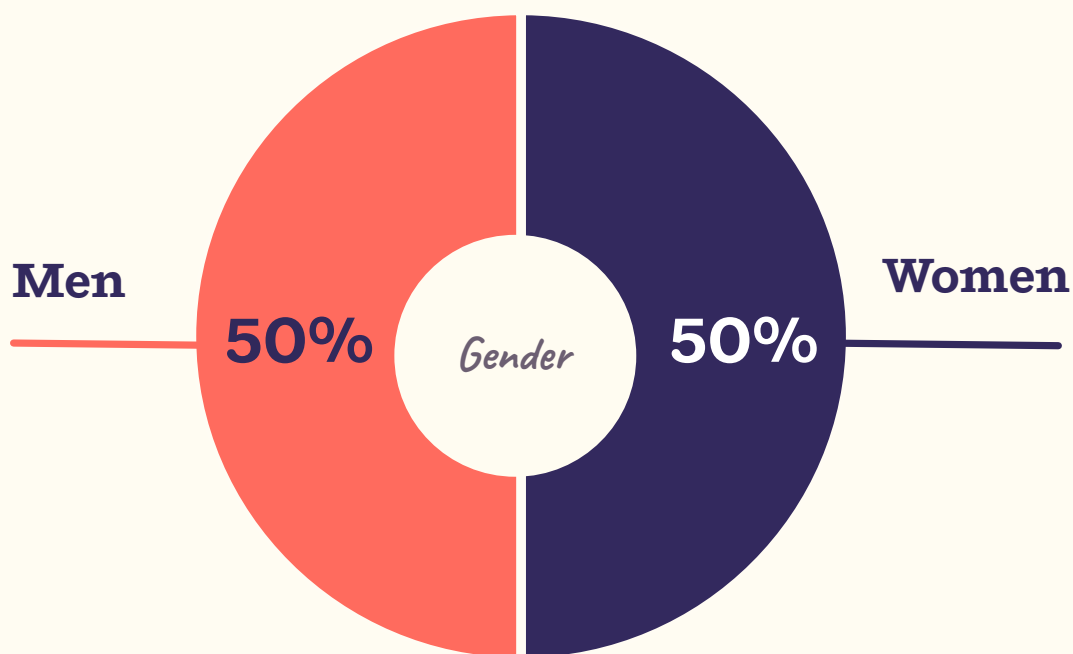
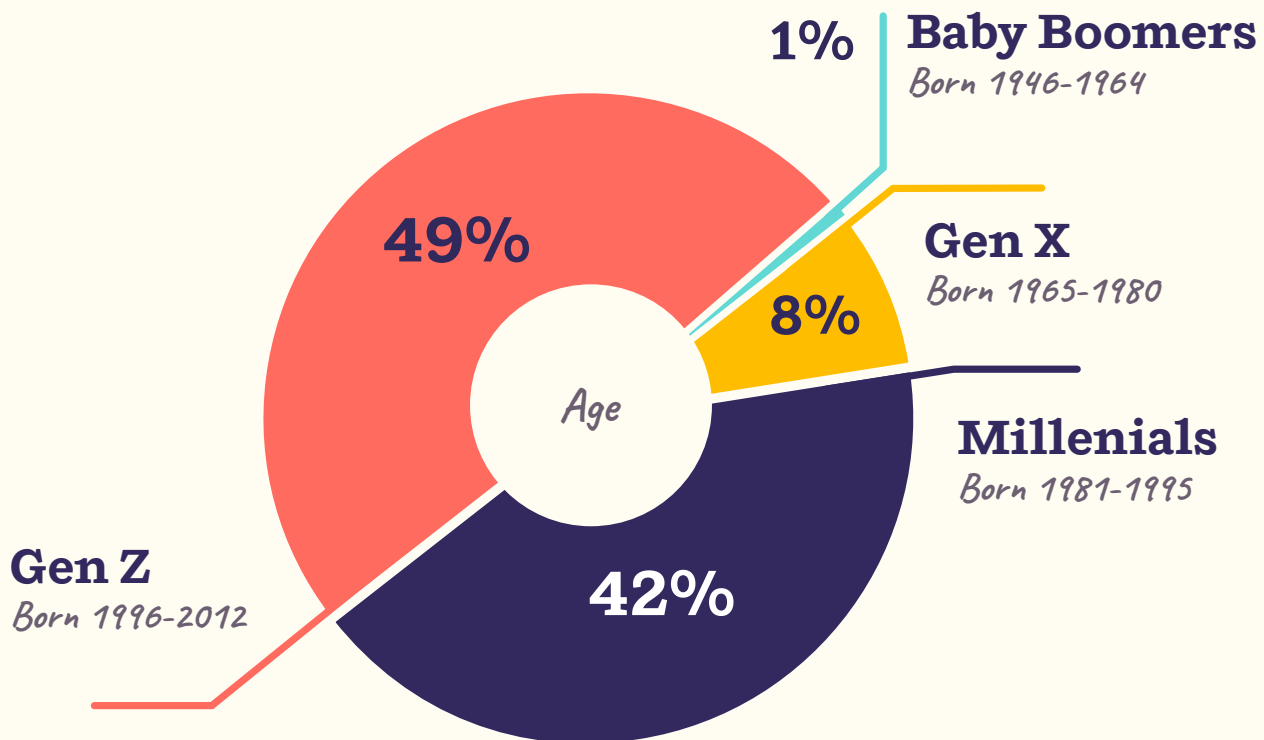
In the near term, we expect remote working to remain in many Australian cities – a trend which is likely to support spending on local food and entertainment opportunities (including neighbourhood pubs) in residential suburban areas.

On the other hand, the outward relocation of inner-city workers is likely to permanently impact hospitality businesses in the CBD. In the near term, city and state governments are anticipated to support inner-city businesses through stimulus programs, using rebate schemes and spending vouchers.

Furthermore, government interventions to stimulate the domestic tourism industry are likely to benefit bars and pubs, particularly those located in regional Australia.

FAST FOOD & TAKEAWAY

Snapshot of Workforce



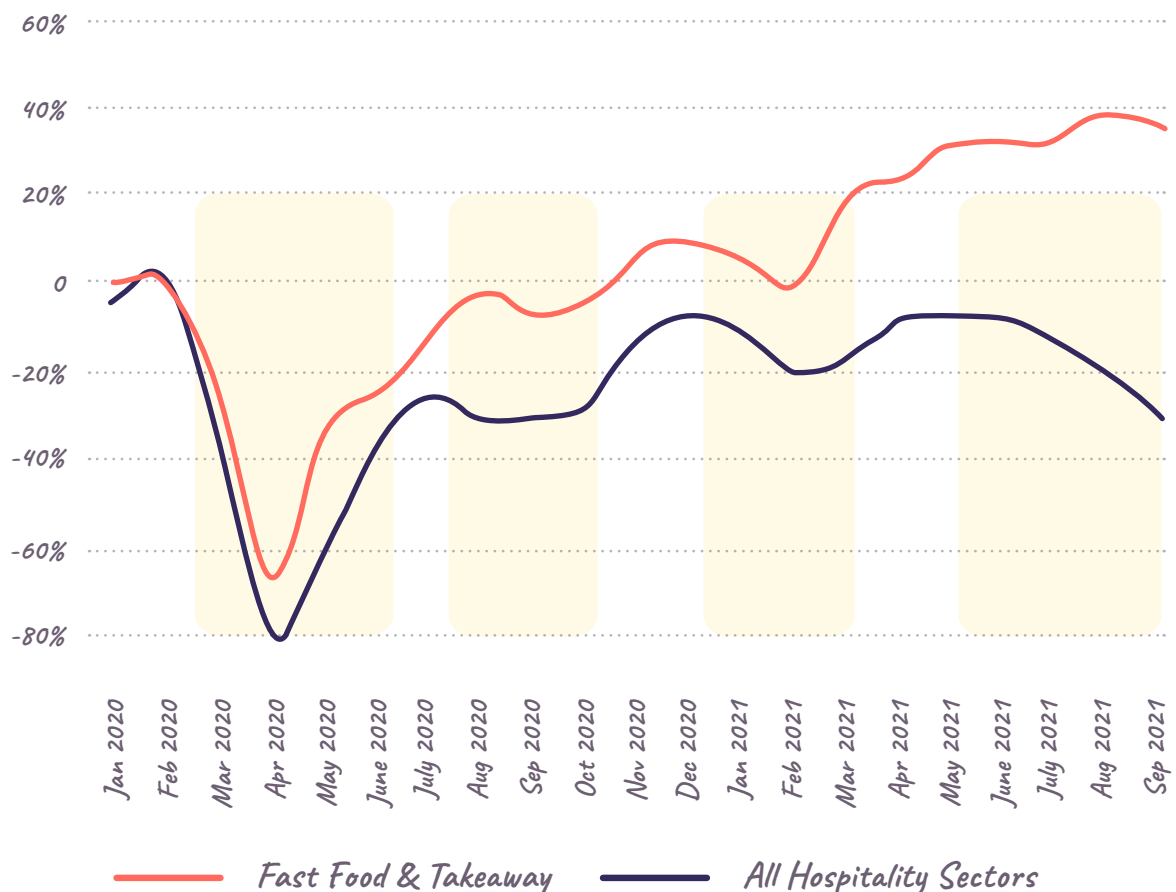
FAST FOOD & TAKEAWAY

The Fast Food & Takeaway sector has arguably thrived during ongoing lockdown periods

The COVID-19 pandemic led to revenue declines in the Fast Food and Cashier Restaurants sector from late March until June 2020. Consequently, shift work hours in the sector declined by over 60% during the same period.

The Fast Food and Cashier Restaurants sector has remained resilient (perhaps, even arguably thrived) throughout the COVID-19 pandemic. Shift work hours have improved since the initial lockdown and have remained significantly higher than pre-pandemic levels.

Shift work data highlights the resilience of the Fast Food and Cashier Restaurants sector, compared to the rest of its peers in the Hospitality industry. The combination of opportunities from remote workers in neighborhood suburbs quarantine, combined with excess domestic savings, has supported growth of the industry into 2021.



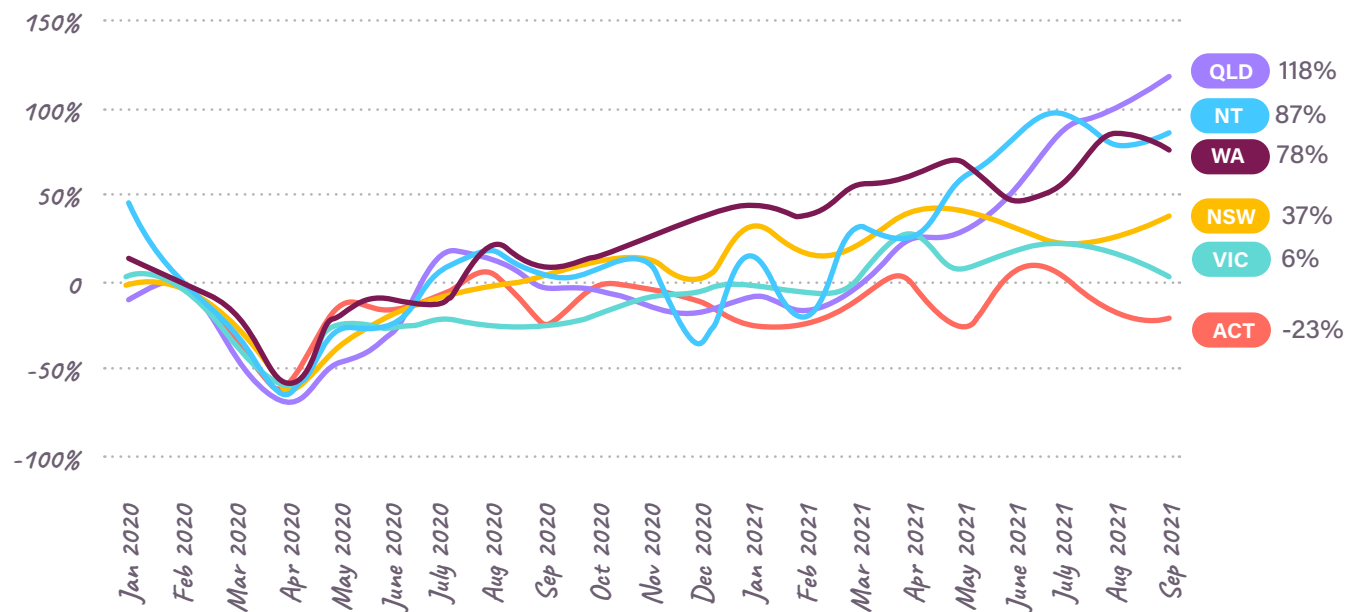
The Deputy shift work data finds that the sector is operating at well above their pre-pandemic employment levels, whether States have experienced little restrictions or prolonged lockdowns.

These trends are in part due to the relocation of the remote workforce, which has supported discretionary spending in neighbourhood hospitality businesses, like restaurants.

Furthermore, restrictions have the spending capacities of Australian households, leading to over \$200 billion in household savings.

As States opened from the initial 2020 restrictions, Australian households have redirected this savings into the economy, through expenditure in local businesses like the hospitality industry.

However for visitor-dependent States like ACT, restrictions on interstate visitors have negatively affected shift work in the sector. As interstate travel continues to open, we expect to see a recovery in fast food and cashier restaurant employment in ACT.

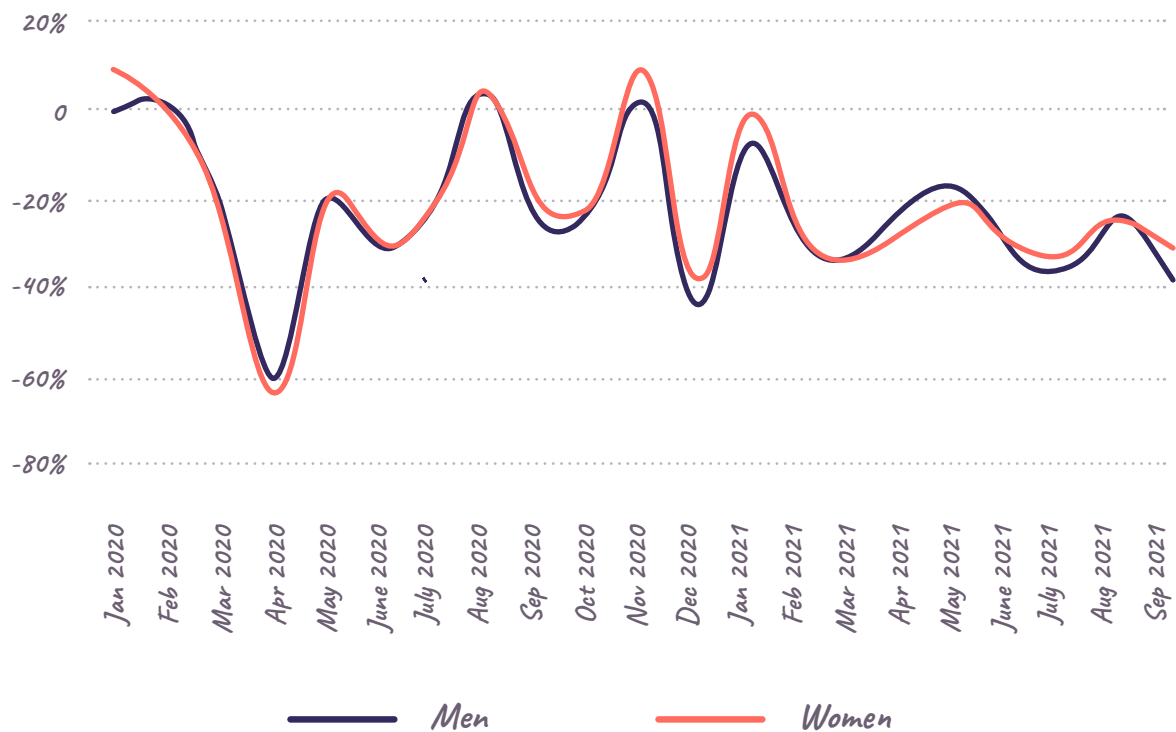


FAST FOOD & TAKEAWAY

Men were disproportionately more affected by lockdown periods

The COVID-19 experience has also revealed that, while men and women in hospitality saw declines in work hours, men in shift work were disproportionately more affected by these restrictions in 2020.

Men were found to experience an additional 1.1% decline in shift work hours, compared to women, during the 2020 and 2021 lockdown periods.



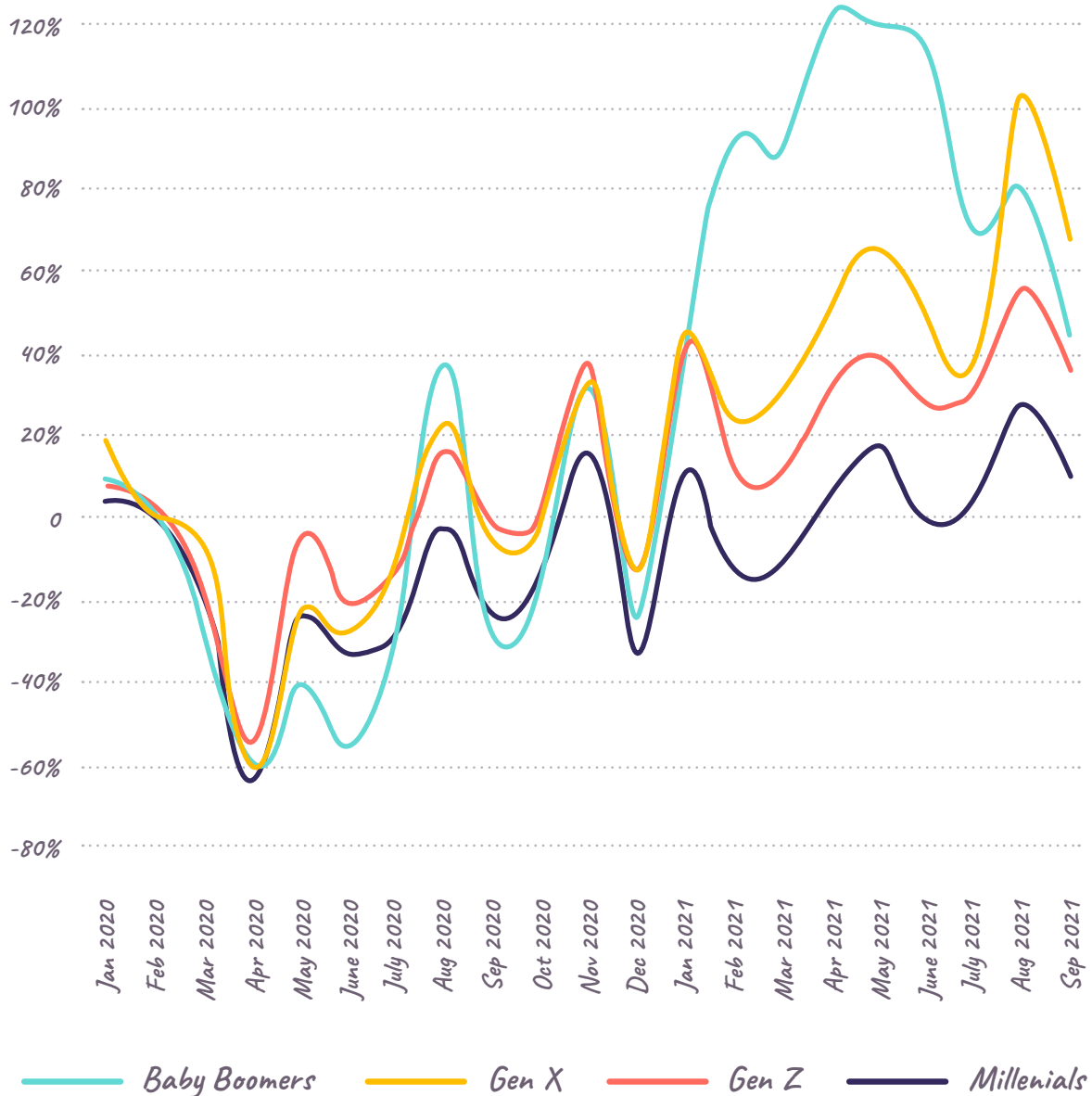
Nevertheless by 2021, we see a reversal in these trends: men in Fast Food and Cashier Restaurant workers saw greater levels of recovery by June 2021 compared to women in this sector. Overall, the effect of COVID-19 on employment by gender is ambiguous in the Fast Food and Cashier Restaurant sector.

FAST FOOD & TAKEAWAY

Millennials were most impacted at the peak of the pandemic

Deputy shift work data reveals that, while all generations saw declines in work hours, Millennials were disproportionately most affected by COVID-19 and government-mandated restrictions.

At the peak of the pandemic in 2020, Millennials shift workers were found to experience an additional 6.7% decline in shift work hours, compared to their peers.



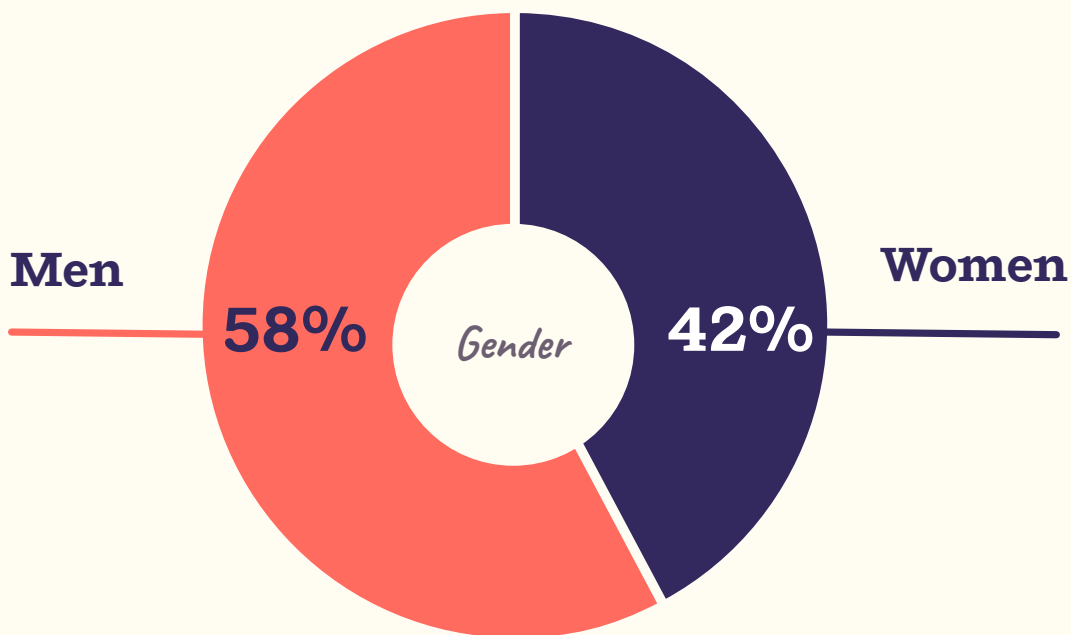
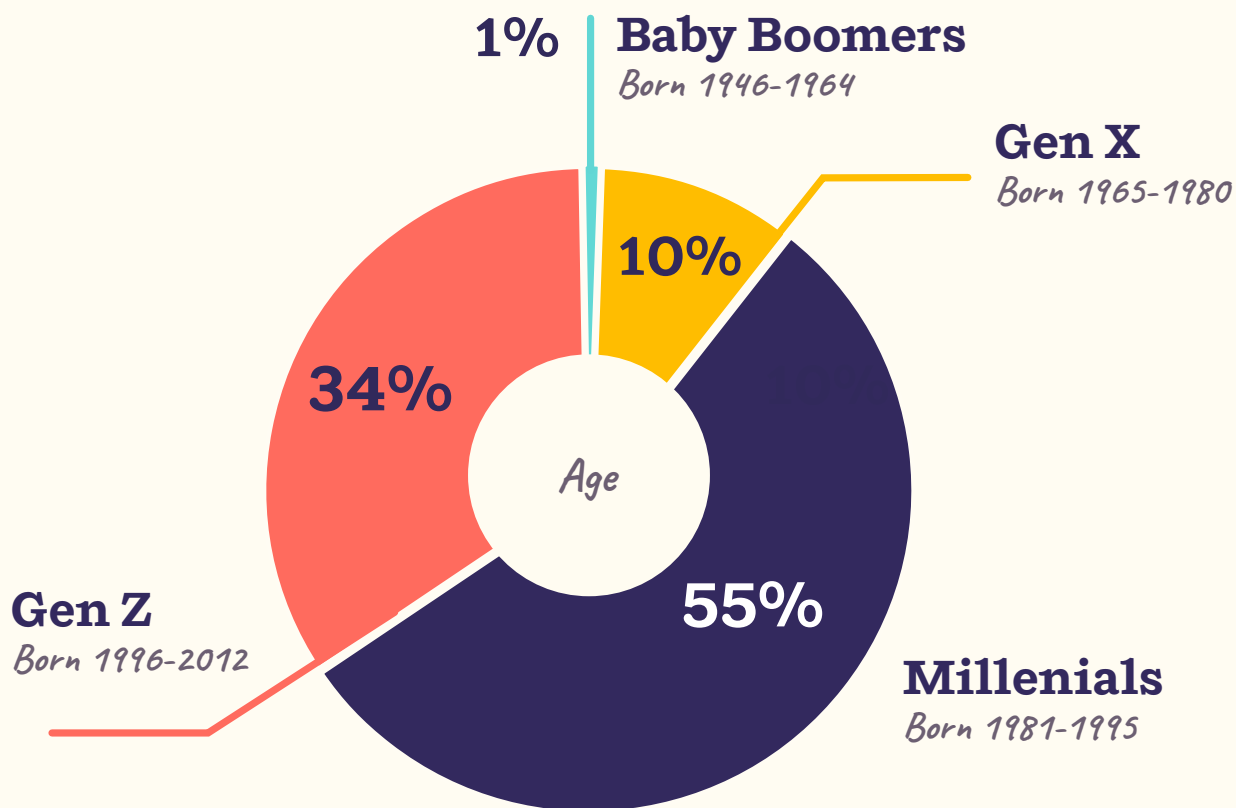
Movement restrictions and remote working in residential neighbourhoods have renewed support for nearby community spaces and local patronage opportunities, including local fast food and cashier restaurants.

In the near term, we expect remote working to remain in many Australian cities – a trend which is likely to support spending on local food and entertainment opportunities in residential suburban areas.

The outward relocation of inner-city workers is likely to permanently impact hospitality businesses in the CBD. In the immediate term, city and state governments are anticipated to support inner-city businesses through stimulus programs. This is likely to support the recovery of inner-city takeaway businesses.

RESTAURANTS

Snapshot of Workforce

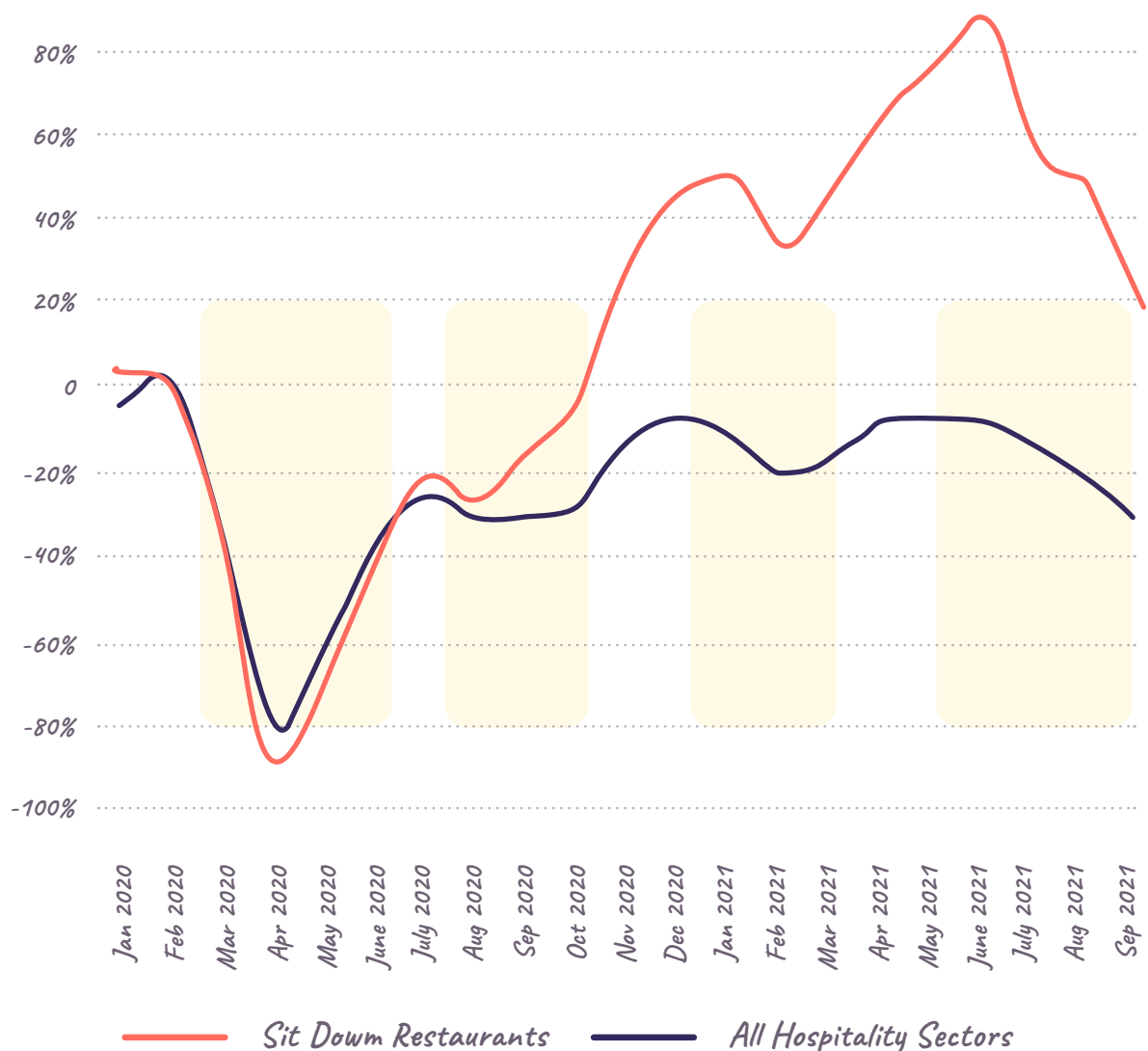


RESTAURANTS

Gains experienced by the Restaurant sector in early 2021 have been scuttled by recent lockdowns

The COVID-19 pandemic led to revenue declines in the Restaurants sector from late March until June 2020. Consequently, shift work employment declined by nearly 80% over the same period.

Since the initial nation-wide lockdowns, the industry sector has seen significant employment growth, even exceeding employment levels experienced before the pandemic.

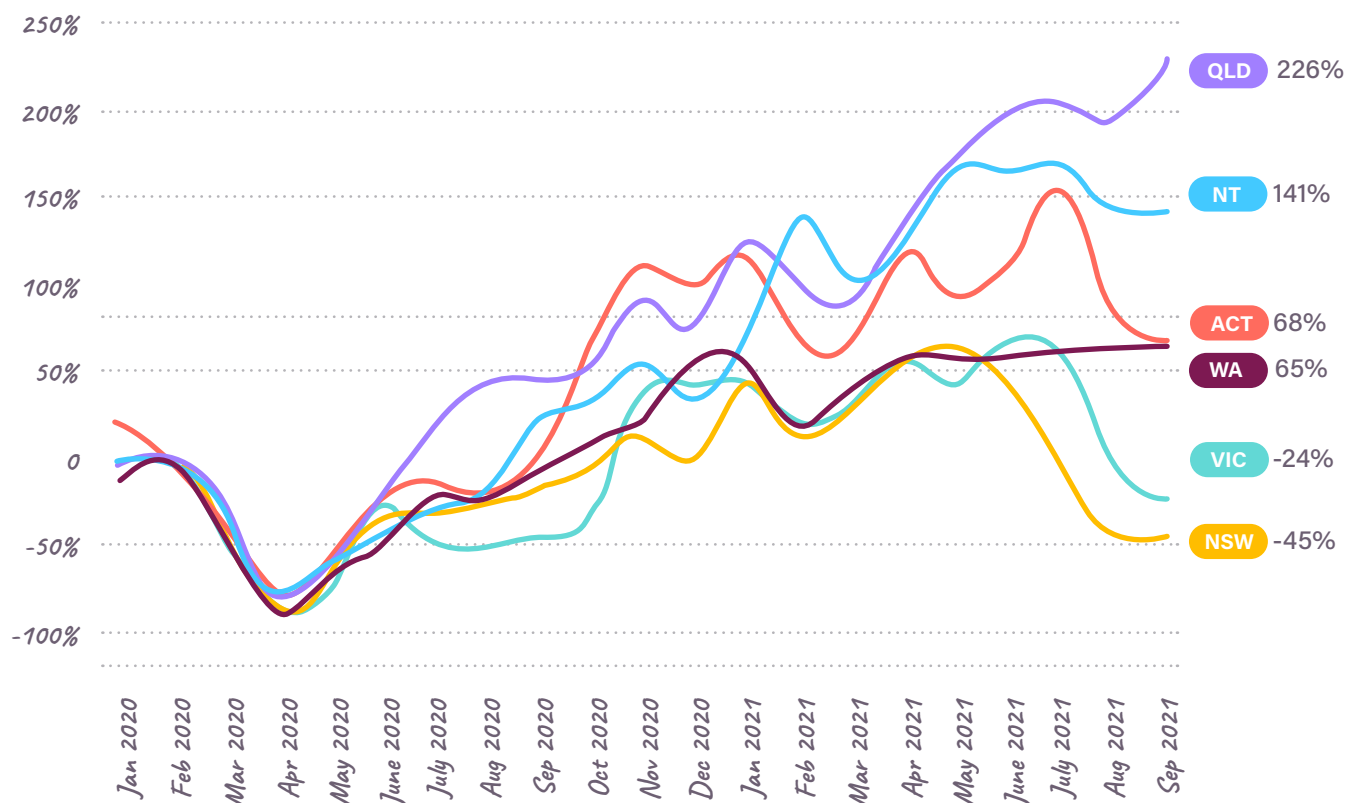


Shift work data highlights the resilience of the Restaurants sector, compared to the rest of its peers in the Hospitality industry. The combination of opportunities from remote workers in neighborhood suburbs quarantine, combined with excess domestic savings, supported growth of the industry into 2021.

Deputy shift work data finds that the Restaurants sector is operating well above their pre-pandemic employment levels, particularly in states that have experienced less lockdowns (like WA, QLD and NT).

Even for States that have experienced prolonged periods of lockdowns, shift work trends have grown Fast Food and Cashier Restaurants in NSW and VIC. Nevertheless, these gains have been scuttled by the recent 2021 lockdowns in Sydney and Melbourne, which have particularly affected inner-city restaurants in these major cities.

As these States continue to exit from lockdowns and inter-state travel bans, the Restaurant sector is anticipated to benefit from a boom in domestic tourism expenditure and government support programs to support the revitalisation of inner cities.



RESTAURANTS

Women are still being rostered less hours than men

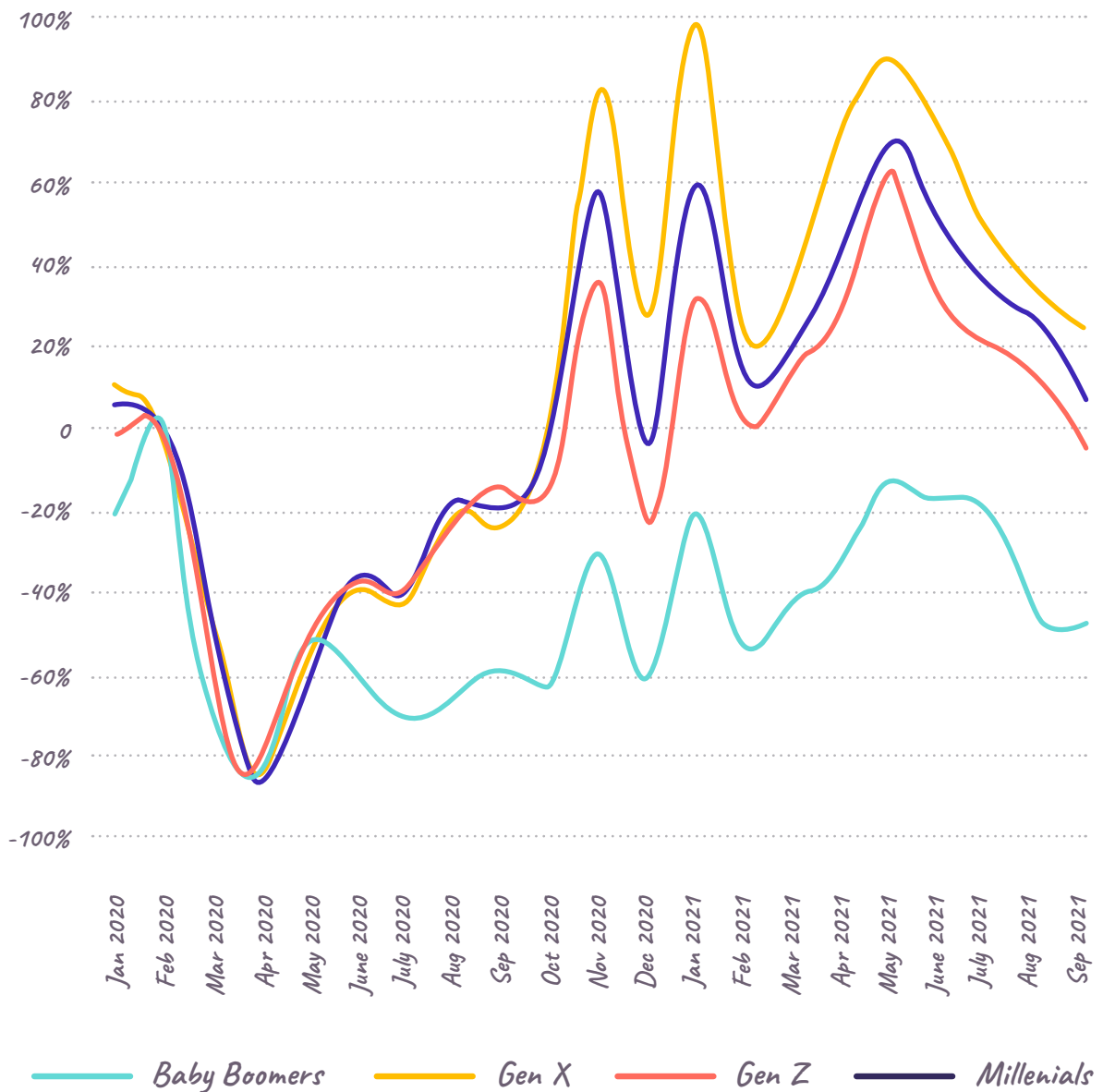
The COVID-19 experience has also revealed that, while both men and women in hospitality saw recovery in work hours from 2020, women are still working fewer hours compared to their men in the sectors.

Women in shiftwork were found to experience 6% less shift work hours, compared to men throughout the 2020 and 2021 restrictions.



Deputy shift work data also reveals that, while all generations saw declines in work hours, Baby Boomers were disproportionately most affected by government-mandated restrictions, recording 5.3% less work hours compared to their peers.

Furthermore, while other generations have seen gains in shift work employment, employment amongst Baby Boomers has remained well below pre-pandemic levels.



Movement restrictions and remote working in residential neighbourhoods have renewed support for nearby community spaces and local patronage opportunities – including local restaurants. In the near term, we expect remote working to remain in many Australian cities – a trend which is likely to support spending on local food and entertainment opportunities in residential suburban areas.

On the other hand, the outward relocation of inner-city workers and the national talent shortage is likely to permanently impact restaurant businesses in the CBD.

In the near term, city and state governments are anticipated to support via stimulus programs which will likely support the recovery of inner-city restaurants in the near term. Additionally government interventions to stimulate the domestic tourism industry are likely to benefit restaurants, particularly for destination dining venues and interstate travel visitors.