The Rise of Gen Z and the Night-Time *Economy*

deputy

Contents

Introduction

The world of shift work is in constant motion, shaped by economic pressures, evolving workforce expectations, and the transformative power of technology. At Deputy, we support over 375,000 workplaces and 1.5 million shift workers globally, and we see these changes firsthand. The past year has tested businesses and workers alike, with the cost-of-living crisis driving financial strain, wage stagnation, and shifts in consumer, employee and workplace behaviours.

Gen Z is now firmly established as the dominant generation in shift work after surpassing Millennials in shift work hours across all industry sectors in the last 12 months. Their expectations around career mobility, workplace flexibility, and job satisfaction are reshaping how businesses attract and retain talent. Employers who fail to recognise these changing workforce dynamics risk higher turnover, lower productivity, and dis-engagement, while those who invest in flexible work arrangements, clear career progression, and positive workplace cultures will position themselves ahead of the curve.

Australia's thriving night-time economy is one of the most significant employment trends shaping shift work. Cities like Brisbane, Sydney, and Melbourne are leading a global shift toward late-night spending and employment, with growth in night shift hours outpacing major international cities like New York and Los Angeles. This evolving consumer behaviour creates new business opportunities, particularly in Hospitality, Retail, and Services, requiring employers to rethink their workforce strategies and ensure adequate staffing for evening and late-night operations.

While wages have increased in some industries, real earnings have failed to keep pace with inflation. Rising costs have eroded much of the financial progress, leaving many shift workers struggling to make ends meet. As a result, poly-employment—where workers hold multiple jobs simultaneously—remains at record levels. The growing financial strain on shift workers highlights the need for businesses to consider not only pay and benefits but also schedule stability and predictability, which are increasingly critical factors in job satisfaction and retention.

When it comes to emerging technologies, Artificial Intelligence (AI) is not replacing jobs but enhancing them, helping businesses operate more efficiently while reducing the administrative burden on workers. AI-driven solutions are improving scheduling, balancing workloads, and optimising shift allocations to reduce burnout and improve workforce productivity. In industries such as Healthcare and Aged Care, AI is already playing a role in predictive analytics, helping workers anticipate and meet the needs of patients/clients more effectively.

Employers who embrace workforce flexibility, invest in technology and prioritise the well-being of their teams will not only successfully navigate these challenges but also set new standards for excellence in shift work.

Silvija Martincevic
CEO, Deputy

Data Analysis

The Big Shift: The Rise of Gen Z and the Night-Time Economy, 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 sectors.

Chief Economist at Geografia, Dr. Shashi Karunanethy, **analysed 79.6 million shifts and 548.1 million hours of 704,600 shift workers** to produce the insights in this report.

Dr. Shashi Karunanethy
Chief Economist at Geografia

Dr. Karunanethy provides specialized advisory services in policy and market design; thought leadership in the city, workforce, and future technologies spaces; and economic strategies. He works with a variety of federal and state government entities, international development organizations, 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 2022 and Dec 2025.

This data has been normalised 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

The Big Shift Report

AU Shift Work: A year in review

Australia's shift work industry has largely been propelled by employment growth in the Hospitality sector, with Deputy's platform identifying a 40% increase in shift work hours compared to early 2023.

This growth has been fueled by a surge in night-time spending, particularly in capital cities, alongside shifting consumer behaviour favouring experiences over discretionary retail purchases and big-ticket items like international travel.

Hospitality leads growth of shift work

Within Hospitality, Fast Food and Casual Dining restaurants led the way, doubling employment levels from 2022. Why? Consumers are looking for more affordable dining options, which benefits fast-food chains during peak cost-of-living periods. Additionally, new entrants and expansions in major city markets suggest sustained demand for a more diverse dining landscape. The trend has also extended to Sit-Down Restaurants (+60% shift work hours) and Bars (+26%).

Retail and Healthcare face challenges

While Hospitality surged, Retail and Healthcare showed little improvement in shift work hours:

- Retail has been heavily impacted by the ongoing cost-of-living crisis, with Australian households tightening their budgets amid sustained inflation.

- Healthcare employment remained flat, affected by State government budget reductions which constrained spending and particularly impacted the hiring of healthcare staff. This was most noticeable in hospitals, where budget cuts hindered the recruitment of contract and casual nursing roles throughout 2024.

Even traditionally resilient sectors weren't immune:

- Supermarkets (Food & Beverage Stores) saw an 8% decline in shift work hours in 2024, marking a rare downturn, driven by:
  - Increased automation (e.g., self-checkouts reducing labor demand).
  - Consumers shifting spending to discount retailers like Aldi and Costco over mainline supermarket chains.

- Other Retail categories, including Automotive, Electronics, and Home Appliances, also declined, as Australians delayed big-ticket purchases amid economic uncertainty.

Services industry most vulnerable

The broader Service sector felt the weight of economic conditions, with shift work hours declining by up to 20% at the peak of the cost-of-living crisis. However, Deputy data indicates a strong recovery in the second half of 2024, pointing toward a more stable 2025.

2025 Outlook

While certain sectors continue to face headwinds, Australia's shift work economy shows signs of resilience heading into 2025, particularly in Hospitality, as consumer behaviour continues to favour dining and nightlife experiences over discretionary retail spending.

Generational trends

Deputy shift work data reveals a generational shift in Australia's workforce, with Gen Z now surpassing Millennials as the largest cohort in shift work. This shift is particularly significant, as Millennials were the last generation to dominate shift work, holding onto the lead through 2023—particularly in Healthcare.

However, 2024 marks a turning point:

- Gen Z now accounts for 47% of all shift work hours on Deputy's platform.
- Millennials follow at 33%, with Gen X represents 16%.
- As the largest generational workforce, Gen Z is now shaping the habits and expectations of the shift work economy.

Share of All Shift Work Hours by Generation

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years
(as identified from Deputy Shift Work Surveys Aug 2024)

	Gen Alpha	Gen Z	Millennials	Gen X	Baby Boomers
2023	0.0%	44%	33%	16%	6%
2024	0.1%	47%	32%	15%	5%
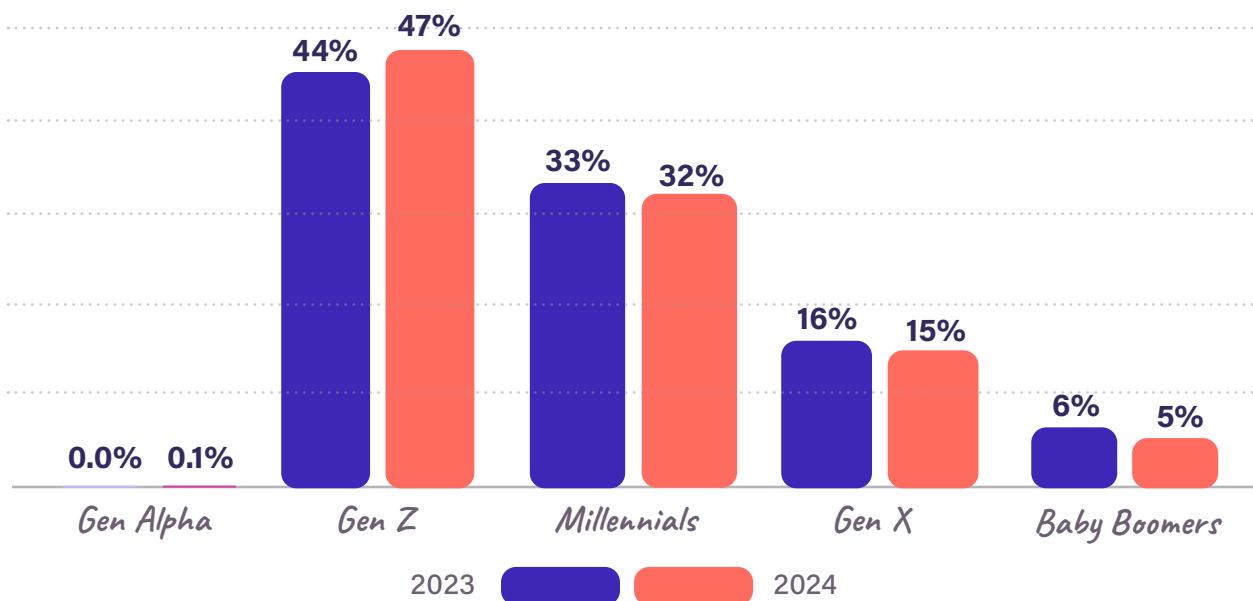
Gen Z's key characteristics

Deputy survey data highlights what sets Gen Z apart from previous generations:

Mobile → 35% are actively seeking jobs outside their current company.

Ambitious → 26% want to advance within their current workplace.

Motivated by pay and culture → Refusing to compromise on either.

Gen Alpha enters the workforce

Deputy data also confirms the entry of Gen Alpha into the workforce. Initially observed in Hospitality and Retail in 2023, Gen Alpha—though currently a small fraction of the workforce —is now present across all sectors.

As many in this generation are still school-aged, their presence is expected to grow significantly over the next 2-3 years as they transition into the workforce as college-aged employees. While Gen Alpha's impact is minimal today, they are projected to surpass Gen Z by 2038.

Women driving shift work growth

Women continue to make up the majority of shift workers across most industries, especially in Healthcare, where they account for 79% of all shift work hours.

Despite ongoing economic challenges, Deputy data shows that women's share of shift work hours grew in 2024, led by:

- **Retail (+9%)**
- **Service (+4%)**

Key Pressures on Female Shift Workers

- **Greater financial strain** → Women are 5% more likely to struggle with covering living expenses.
- **Unpredictable schedules** → They are 9% more likely to experience inconsistent work hours, making financial planning more difficult.

Women Less Likely to Leave their Jobs

Despite these pressures, women are less likely to switch jobs than men, with only 24% actively seeking new employment—3% lower than their male counterparts.
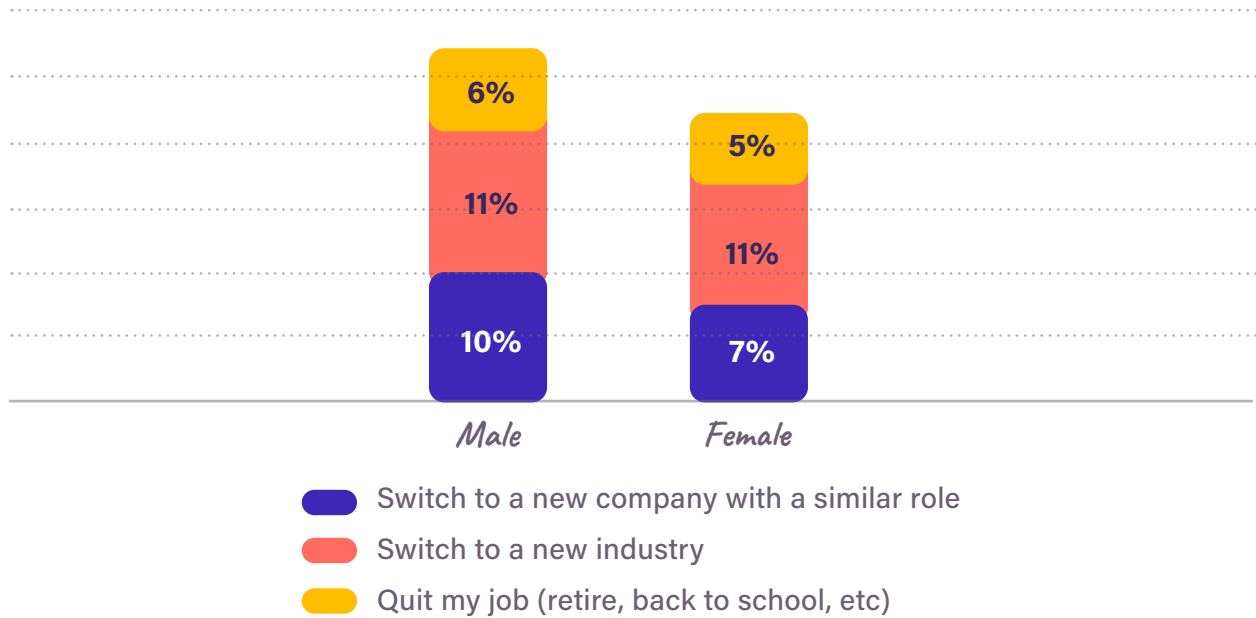
Instead, many women take on multiple jobs (poly-employment) to offset rising costs. This presents an opportunity to improve female labour mobility through technology—by making it easier to find and apply for better-paying, more stable, and predictable shift work opportunities.

Not only could this improve gender-based income levels, but it also stands to enhance overall workforce productivity—by better matching employers with the right talent.

Shift Work Job Intentions by Gender

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

■	Switch to a new company with a similar role
■	Switch to a new industry
■	Quit my job (retire, back to school, etc)

State-level employment trends

Deputy data identifies that shift work employment in major markets such as Queensland and Victoria has remained relatively stable throughout the cost-of-living crisis. However, a slight decline in shift work hours in the second half of 2024 suggests that economic pressures, including sustained high interest rates, are beginning to weigh down these economies.

Tasmania and Western Australia have proven to be the most resilient markets, maintaining shift work employment growth despite broader economic challenges. These states have managed to sustain hiring levels through 2024, with businesses continuing to expand shift-based roles in response to local demand.

In contrast, major markets such as New South Wales and South Australia have faced more significant economic challenges. Shift work activity has continued to decline in these regions, with NSW experiencing a 9% drop in shift work hours in 2024. As Australia's most populous state, NSW has been particularly affected by the cost-of-living crisis, where inflationary pressures and a lack of affordable housing have directly contributed to a decline in retail spending. As a result, the state has seen a broad reduction in shift work hours, particularly within retail and hospitality sectors.

Suburban shift work in NSW

Although shift work hours in NSW have declined overall, there are notable variations across the state. The most significant declines have been observed in Sydney's city centre, where cost-of-living pressures have reduced consumer spending during daytime work hours. In contrast, Sydney's outer suburbs have seen a growth in shift work, with increased employment in local retail stores, butchers, pubs, and discount supermarkets such as Aldi and Costco. This shift reflects a broader economic movement away from the CBD, where high housing and living costs have reduced discretionary spending, towards more affordable suburban areas.

Nationwide surge in night-time spending

Australia's capital cities have experienced significant growth in night-time spending, reaching $20.9 billion in 2024. Brisbane leads the way with $6.2 billion, followed by Melbourne at $5.1 billion and Sydney at $3.5 billion. Australia's night-time economy continues to outperform global counterparts like New York and Los Angeles, with growth in night shift employment demonstrating strong economic resilience.

Night Time Spending by Capital City ($ mil)
Source: Spendmap by Geografia and Westpac DataX (2024)

Legend: ACT, Adelaide, Brisbane, Darwin, Hobart, Perth, Melbourne, Sydney
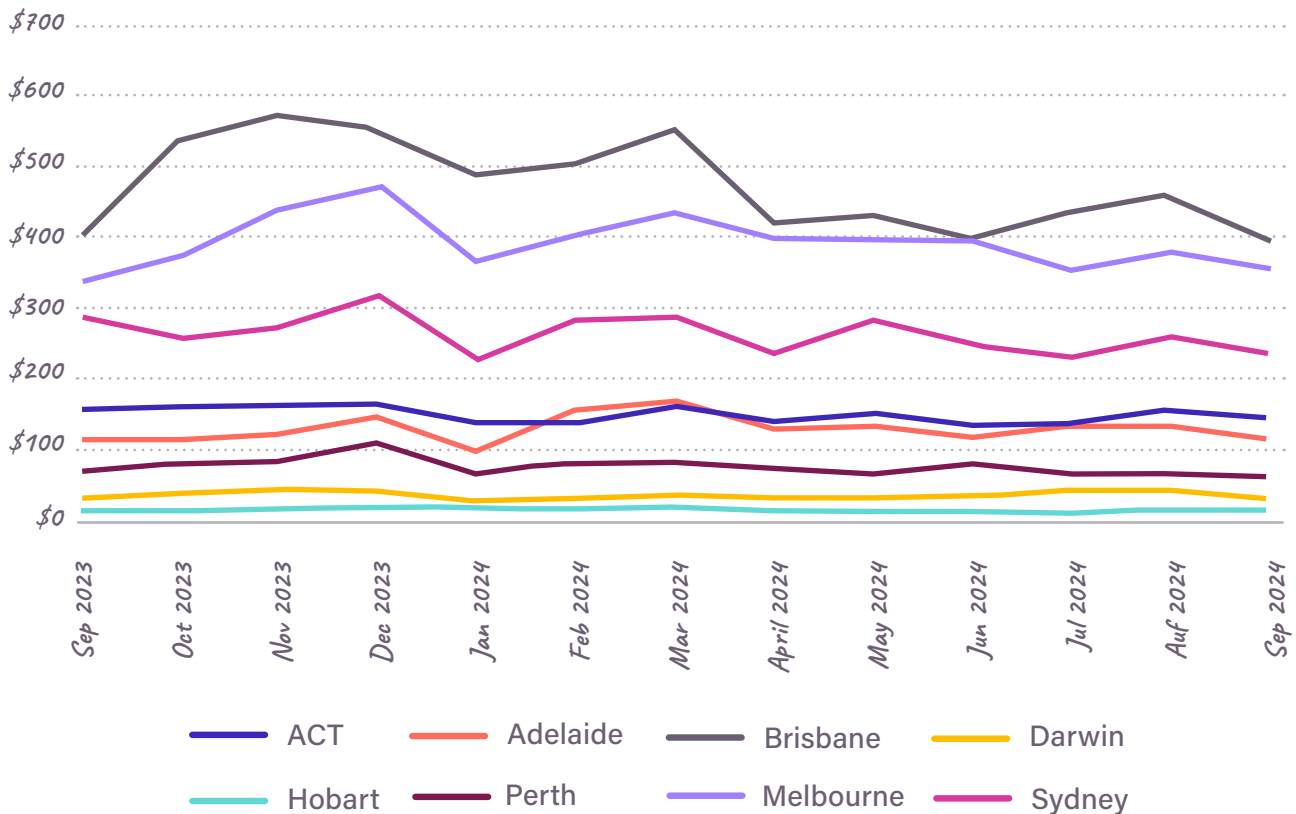
Sydney's expanding night-time economy

Sydney has witnessed a notable shift towards evening and late-night activities. In 2022, only 12% of total shift work hours in Sydney were night shifts. By 2024, this grew to 16%, reflecting a change in consumer habits. People are increasingly prioritising food, dining, retail, and entertainment in the evening, replacing larger discretionary expenses such as international and interstate travel.

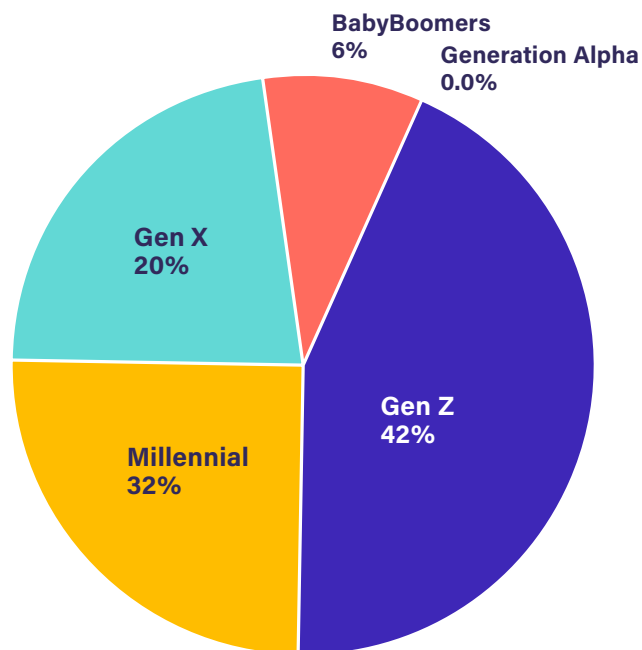## Brisbane leads Australia's night-time economy growth

Brisbane has emerged as Australia's top performer in night-time economic expansion, with night shift hours growing by 10% in 2024. This growth has been driven by a combination of factors that have made Brisbane's economy more resilient than other major cities. Unlike Sydney and Melbourne, Brisbane has largely avoided the extreme housing cost pressures that have constrained discretionary spending in other states. This has enabled Brisbane households to allocate more income towards dining, retail, and entertainment.

Key demographics of Brisbane's night shift workforce:

- 58% are male.
- 42% are Gen Z, followed by 32% Millennials.
- On average, they work 2.3 night shifts per week, each lasting 7.1 hours, totaling 16.6 hours per week.

Share of Night Time Shift Hours by Generation

Source: Deputy (2024)

The future of Australia's night-time economy

The expansion of Australia's night-time economy is expected to accelerate in the short to medium term, driven by three major factors:

- **Changing consumer habits and rising incomes** – As household earnings grow, so will the demand for vibrant late-night retail and hospitality precincts.

- **Regulatory shifts** –City governments are gradually relaxing trading restrictions, particularly in central business districts, to support economic revitalisation and encourage after-dark economic activity. For example, Perth, has introduced reforms aimed at expanding the number of businesses that can operate into the evening.

- **Climate change** – Rising urban temperatures are driving consumers towards cooler evening hours for shopping and dining In Melbourne, where extreme daytime temperatures have contributed to a measurable increase in night-time retail and hospitality spending.

These shifts in consumer behaviour are reshaping Australia's retail and hospitality industries, positioning night-time economic activity as a key driver of long-term growth in the nation's urban centres. As governments, businesses, and workers adapt, the importance of twilight and late-night trade will continue to expand, creating new opportunities for employment and economic development across Australia's capital cities.

Australia's **economic outlook**

Inflation in Australia has declined in 2024, following global trends, though core inflation remains a concern. The Reserve Bank of Australia (RBA) remains cautious, aware that reduced interest rates could increase inflation risks by devaluing the Australian dollar and raising the cost of imports.

While businesses and consumers await interest rate relief, cost-of-living and housing affordability challenges continue to intensify, particularly for shift workers. Deputy's Shift Pulse sentiment data shows minimal improvement in worker sentiment, with 40% of shift workers feeling "stressed" or "frustrated" by their current work situation. Deputy also found that 45% of shift workers are either actively seeking promotions or considering switching jobs altogether, in pursuit of higher earnings to offset growing financial burdens.
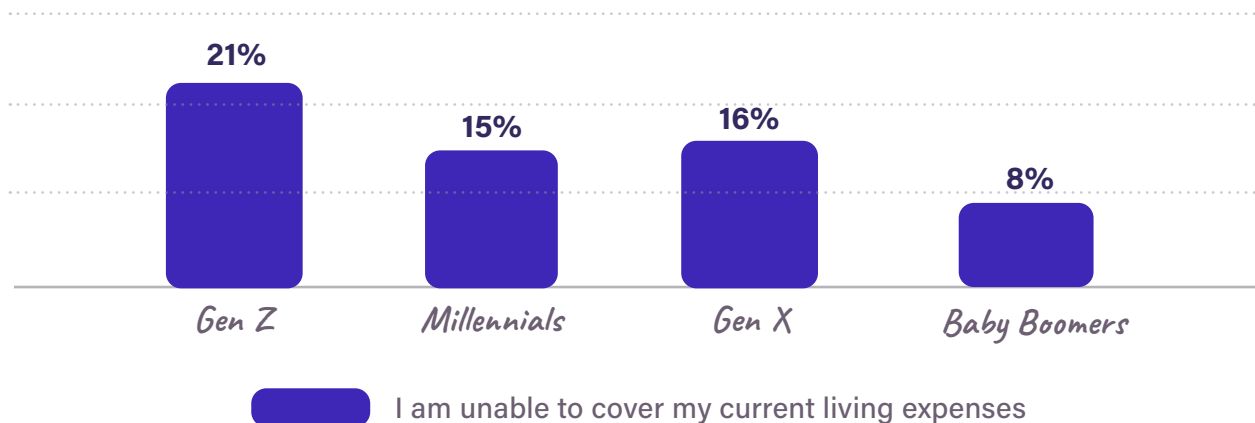
Younger workers most financially-strained

Younger shift workers face the greatest financial strain, with Deputy's 2024 data revealing that 21% of Gen Z shift workers are unable to cover their living expenses, compared to 15% of Millennials and 16% of Gen Xs. This financial strain is closely tied to their motivations for taking on shift work, with 78% of Gen Z citing their paycheck as their primary reason for working.

Financial strain has created a generational divide in job-seeking behaviour. Younger shift workers are the most likely to switch jobs in search of higher pay or better opportunities, with 35% of Gen Z shift workers actively looking to switch jobs—whether by moving industries or joining a new company. Millennials are the second most mobile cohort, with one in five considering a job change. This highlights how economic pressures are driving high levels of job mobility within Australia's shift work economy.

Impact of Cost of Living on Generations

Source: Deputy Survey (2024)

|			
21%	**15%**	**16%**	**8%**
Gen Z	Millennials	Gen X	Baby Boomers

I am unable to cover my current living expenses

Poly-employment and financial pressures

For many shift workers, finding a second job has become a financial necessity. Deputy data confirms that poly-employment—holding multiple jobs simultaneously—remains at historically high levels.

In December 2023, poly-employment rates peaked at 7.8% in the Hospitality sector, though this has declined slightly to 7.4% in 2024. This remains among the highest rates recorded since poly-employment was first measured in Australia in 1995. While workers continue to juggle multiple jobs to manage high living costs, this trend is expected to ease gradually in 2025 as economic pressures soften.

Australian Poly-Employment Rate

Source: ABS (2024)

Legend: Retail, Hospitality, Healthcare, Services
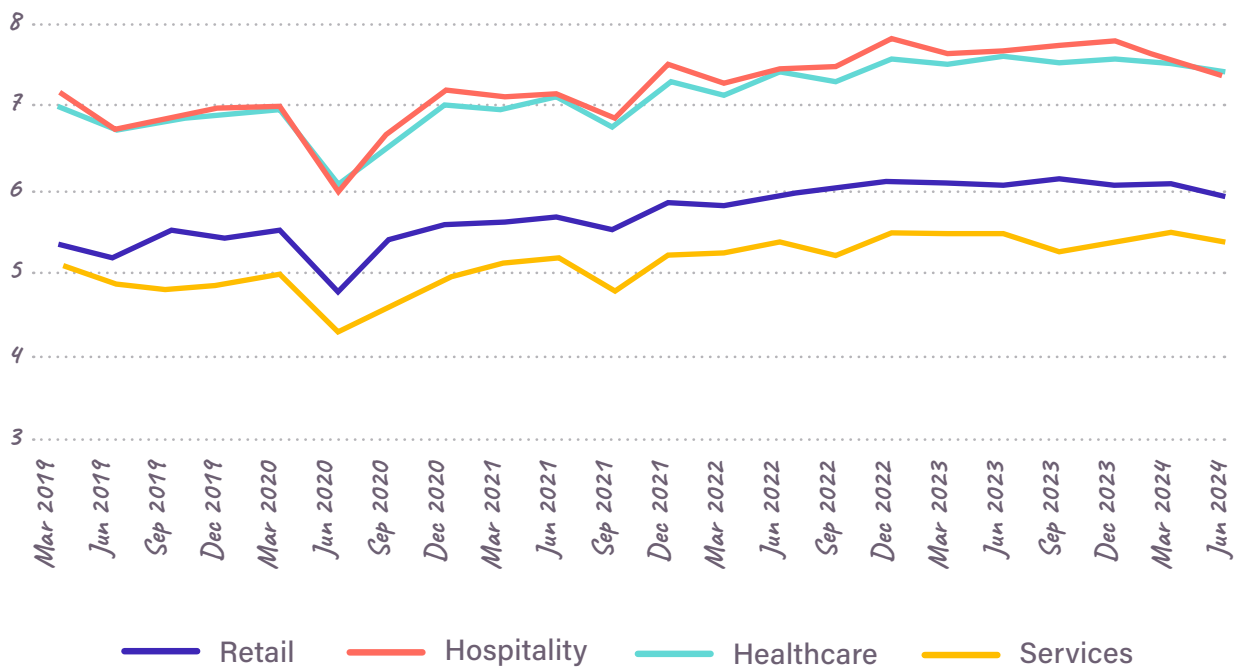
## Young women are driving Australia's poly-employment growth

Deputy data identifies that the majority of poly-workers are young women. Of all workers with multiple jobs:

- 58% are women.
- Of which, 62% belong to Gen Z, followed by 30% from the Millennial generation.

Women's higher participation in poly-employment reflects broader trends in job mobility. While men are more likely to quit their jobs in favour of higher pay, women tend to stay in their current roles while taking on additional work.

This suggests a gender-based divide in how Australian shift workers cope with financial strain. Women may prioritise job stability–due to time constraints, caregiving responsibilities, and work-life balance–opting for poly-employment as a safer way to supplement their income.

Share of Poly-Workers by Generation

Generation	2023	2024
Gen Alpha		
Gen Z	65%	68%
Millennials	28%	25%
Gen X	6%	5%
Baby Boomers	1%	1%
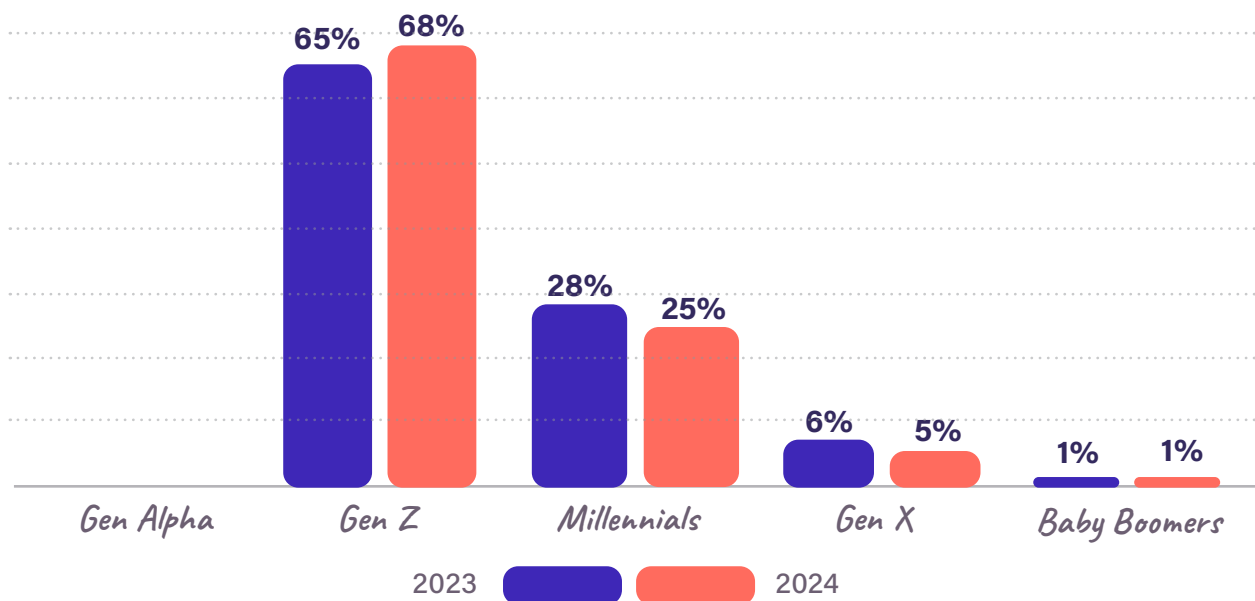
Hospitality leads Australia's poly-employment trends

Hospitality continues to be the most popular industry for poly-workers in Australia. Half of all poly-workers in the country hold multiple jobs within the same industry, with 43% of hospitality poly-workers working additional hospitality jobs at different businesses.

The other half of poly-workers split their employment across different industries. Hospitality, combined with other industries, is the most common dual-job combination among these workers. This suggests that the flexibility and availability of hospitality jobs make the sector an attractive option for workers seeking additional income.

2025 outlook on poly-employment

In 2025, poly-employment rates are expected to decline as inflationary pressures ease. However, the fundamental trends driving job mobility, financial stress, and shift worker sentiment will continue to shape the labour market.

Employers must recognise that younger workers—especially Gen Z—will continue to prioritise higher wages and job flexibility. Meanwhile, businesses in Hospitality and other shift-based industries should expect ongoing demand for part-time and multi-job work arrangements, particularly among women.

By understanding these shifting workforce dynamics, businesses can better support shift workers in achieving financial stability, while also ensuring sustainable staffing models in an evolving labour market.

Despite the delayed economic relief, inflation and interest rates are projected to ease throughout the remainder of 2025. As a result, consumer and worker sentiment are expected to improve in the new year, providing a much-needed boost to industries that have faced stagnation or decline over the past year.

Interest rate cuts are set to revitalise key sectors that struggled in 2024, particularly the Retail and Service industries, where demand for large-format retail, luxury items, and personal care services has been subdued due to financial constraints. Additionally, major economies such as Victoria, New South Wales, and South Australia—regions that bore the brunt of Australia's high cost of living—are expected to see improved economic activity as financial pressures ease.

Nation-wide Labour market shifts

Labour market trends indicate that Australia is moving out of a tight cycle, with stable unemployment rates but a decline in job vacancy rates. This shift signals a more cautious hiring environment, particularly in industries still recovering economically. While this slowdown may dampen new job opportunities,it also signals that inflationary pressures are easing.

Up until this point, a tight labour market had been one of the key drivers of wage-driven inflation in Australia. With job vacancies falling, wage growth is expected to moderate, further alleviating inflationary concerns.

Fixing Australia's productivity puzzle

As inflation stabilises, governments and policymakers are shifting their attention toward long-term labour market challenges, particularly Australia's declining productivity growth. Over the past three years, Australia's productivity growth has plummeted, marking one of the most prolonged slowdowns in the country's economic history. While this trend reflects a broader decline across many developed nations, Australia has struggled to recover since the COVID-19 pandemic, with productivity levels remaining significantly lower than pre-pandemic benchmarks.

A major factor behind this decline is Australia's increasing reliance on service-based industries, including shift work. Compared to capital-intensive industries like mining and manufacturing, service industries typically generate lower productivity per worker. This shift in economic composition has weighed heavily on national productivity levels, creating long-term concerns for wage growth and economic prosperity.

AI and productivity

As Australia enters the age of AI and automation, emerging technologies and digital platforms present a significant opportunity to reverse this productivity decline. Despite the economic challenges, AI-driven tools, workforce management solutions, and automation technologies have the potential to unlock productivity gains that have remained largely untapped, particularly in shift-based and service-driven industries.

Governments and businesses are recognising the need to integrate smart technology solutions into these sectors, where efficiency gains have traditionally been harder to achieve. By leveraging AI, predictive analytics, and digital workforce platforms, there is an opportunity to enhance efficiency, reduce administrative burdens, and improve job matching—ultimately supporting long-term economic resilience.

As the share of service and shift-sector jobs in Australia's economy continues to expand, concerns about national productivity levels grow. Historically, shift-work industries have contributed less to productivity growth than capital-intensive sectors like mining and manufacturing. However, this trend is changing as advances in AI and digital platforms open up new opportunities to boost shift-worker productivity. These innovations could potentially rewrite Australia's productivity story, allowing these industries to play a more significant role in national productivity growth.

While 2025 is set to bring economic relief through lower inflation and interest rates, the long-term prosperity of Australia's workforce will depend on how effectively policymakers and businesses harness technology to drive productivity growth. The next phase of economic transformation will be shaped by innovation, adaptation, and the ability to create smarter, more efficient workplaces across all industries.

Shift worker's perception of AI

Deputy data highlights that Australian shift workers recognise the potential of AI and digital tools in improving their work efficiency. In a recent survey:

- 68% of Australian shift workers believe automation and AI will positively impact their jobs within the next five years.

- 78% want their employers to invest more in digital tools to help them perform their jobs more effectively.

These insights suggest that AI adoption in shift work is not about replacing jobs, but about making them more productive, efficient, and sustainable. Over the long term, three key technological pathways could drive productivity gains and strengthen Australia's shift-based economy.

Driving productivity gains in shift-based industries

1. Smarter job-matching and lower hiring costs

Australia's labour market remains inefficient in connecting workers with the right job opportunities. Employers often struggle to review large volumes of applications, while workers—particularly those with caregiving responsibilities or multiple jobs—face barriers in finding roles that suit their needs.

This issue is particularly pronounced among female shift workers, who are more likely to experience financial pressure yet are less likely to apply for better-paying roles.

AI-driven job-matching platforms can help bridge this gap by making job applications more targeted and individualised. Smarter hiring solutions can reduce workers' job-search costs, lower inefficiencies in employer recruitment, and ultimately lead to better job placement outcomes.

2. Expanding micro-shift work opportunities

Micro-shift work, an emerging employment model similar to gig work, is gaining traction to provide greater flexibility and stability to shift workers. AI-powered platforms can facilitate real-time matching of candidates to short-term roles, helping time-poor "poly-workers" (juggling multiple jobs) access better employment opportunities.

This approach improves workforce utilisation and productivity by ensuring that available work is assigned to the right candidates more quickly and efficiently. As a result, businesses can better allocate resources, reduce unfilled shifts, and optimise labour costs.

3. AI-powered productivity gains in high-stress jobs

AI has the potential to enhance work quality, reduce burnout, and improve productivity across high-stress, human-centred roles such as nurses, doctors, and aged care workers.

Key AI-driven solutions include:

- **AI-powered administrative support** – Automating documentation, scheduling, and medical record management, allowing healthcare workers to focus on direct patient care.

- **Decision-support tools** – AI-assisted diagnostics and predictive analytics that enable faster, more accurate clinical decision-making, improving patient outcomes.

- **Workload optimisation** – AI-driven scheduling tools that improve workforce distribution, reducing stress and fatigue among employees.

By integrating AI into shift-based operations, workers can focus on high-value tasks, improve service delivery, and reduce administrative burdens. This will ultimately lead to a more resilient and productive workforce.

The future of employment growth

As shift-based industries continue to expand, employment growth in Australia will largely be driven by:

- **Healthcare & Services:** Projected increase of +74,900 carers and +40,400 nurses, driven by an ageing population and rising demand for home-based care services.

- **Hospitality and Retail:** Despite concerns about automation, consumer spending patterns indicate that jobs such as Fast Food Chefs (+10,300 jobs) and Cashiers (+8,500 jobs) are still projected to grow.

Unlocking productivity in these growing industries lies in effectively integrating AI, automation, and digital platforms to maximise efficiency and drive progress.

Challenges and opportunities in future-proofing shift work

1. AI and automation enabling, not replacing, workers

Long-term employment trends indicate that service-based industries—particularly aged and disability care—will remain a cornerstone of Australia's labour market.

Government programs, such as the NDIS scheme, have supported workforce expansion in these sectors, and the introduction of AI and automation technologies is expected to enhance, rather than replace, human roles.

As demand for home-based and visiting healthcare services increases, Australia's ageing population will drive new job markets in high-skill, independent contracting roles. This shift will create opportunities for AI-enabled workforce solutions that improve efficiency while ensuring better care for older Australians.

2. Job risks from automation

While AI and automation are set to enhance productivity in many industries, some roles face higher risks of job displacement.

Retail and sales occupations are among the bottom ten sectors in projected job growth over the next decade. AI-driven automation is expected to reduce the demand for human labour in retail businesses, particularly in repetitive roles such as cashiers and stock clerks.

However, there is an optimistic outlook–technology could also reshape Retail, lowering business costs, attracting new market entrants, and driving demand for new shift-work roles rather than eliminating them.

3. Regulatory reforms strengthening worker stability and flexibility

As Australia's shift work economy evolves, policy reforms are expected to improve stability and flexibility for workers. Governments are focusing on:

- **Work-life balance policies** – Implementing right-to-disconnect laws that limit excessive after-hours communication.

- **Fair gig-work transitions** – Ensuring vulnerable gig roles are transitioned into more stable micro-shift opportunities.

- **Income protections** – Enforcing stable minimum pay and work hours protection guarantees toaddress income volatility.

- **Superannuation mandates** – Making retirement contributions mandatory for all shift and gig workers.

A recent study found that gig workers in Australia miss out on $400 million annually due to the lack of mandatory superannuation contributions. Public concern over economic security is driving momentum for regulatory changes, with 41% of shift workers believing they will benefit from enhanced labour protections.

4. Rise of micro-shift employment

The emergence of micro-shift roles—which blend the flexibility of gig work with the stability of traditional employment—is expected to reshape labour markets and improve workforce participation.

Deputy data highlights key trends in micro-shift employment:

- **Generation Alpha and Baby Boomers** have the shortest average shift lengths, suggesting potential for targeted micro-shift job opportunities in these demographics.

- **Young female poly-workers** are driving demand for multi-job work structures, indicating a market for flexible, part-time roles.

- **Caregivers** (e.g., young mothers, grandparents) who are reluctant to enter the workforce could be drawn in by stable-flexible micro-shift opportunities.

As technology continues to evolve, these emerging employment models will play a critical role in bridging the gap between worker needs and employer demands.

The intersection of AI, automation, and evolving labour policies will define the next era of Australia's shift work economy. While automation poses challenges in some sectors, it also presents an opportunity to enhance efficiency, improve worker experiences, and create new roles.

Subsector

Retail Industry

Retail employment stagnates

Retail employment levels in Australia remained largely unchanged throughout 2024, as rising cost-of-living pressures continued to dampen household spending. Australian consumers have tightened their budgets in response to sustained inflation, limiting discretionary purchases and slowing retail demand.

Retail declines in NSW and VIC

While Retail employment remained stable at a national level, Australia's two largest retail markets—New South Wales and Victoria—saw significant declines in shift work employment. These states have borne the brunt of the cost-of-living crisis, as a combination of stagnant wage growth, rising inflation, and soaring housing costs have constrained consumer spending. In both NSW and VIC, the affordability crisis in housing and rental markets has significantly eroded discretionary spending power. With a larger portion of household income allocated to essential expenses like rent, mortgage repayments, and utilities, consumers have had less capacity to spend in traditional retail sectors.

This economic pressure has led to weaker demand for discretionary goods, forcing many retailers to cut costs and limit hiring. The retail downturn in these states underscores the broader financial strain on Australian households, as workers and businesses alike navigate the ongoing effects of high inflation and economic uncertainty. As interest rates and inflation are expected to ease in 2025, retail employment may see a gradual rebound. However, consumer sentiment will remain a key factor in determining how quickly the industry recovers. Retailers in NSW and VIC, in particular, will need to adapt to shifting spending patterns, focusing on affordability, value-driven offerings, and leveraging Australia's evolving night-time economy to capture consumer demand.

Deputy Job Index by Major Cities

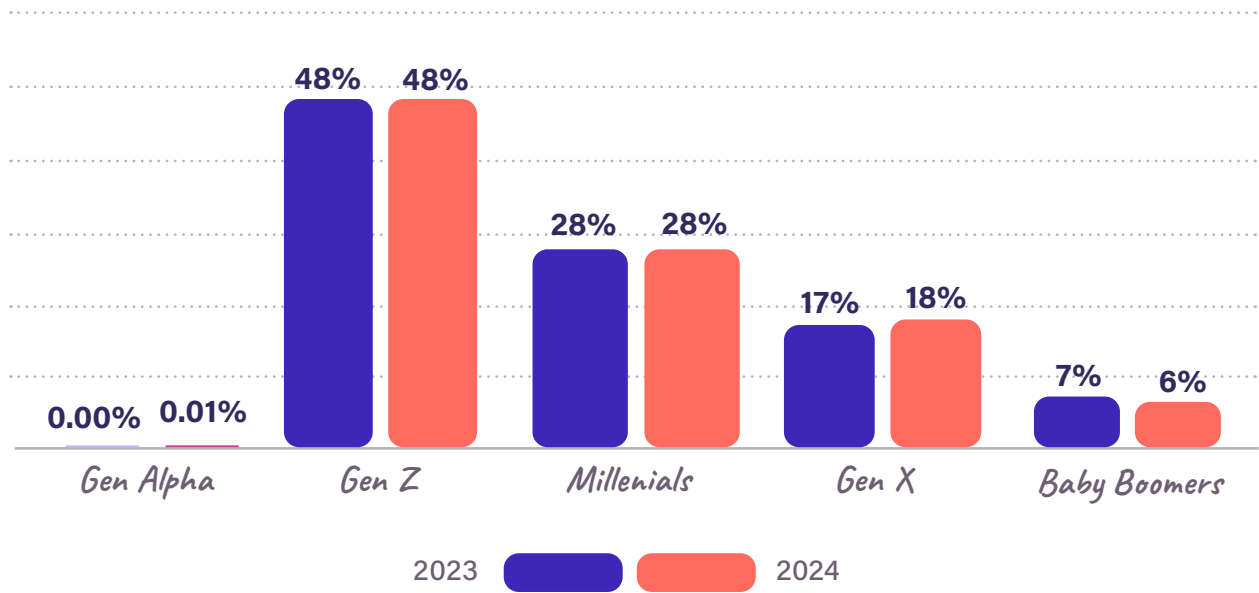Source: Indexed to Jan 2022 using data from Deputy (2024)
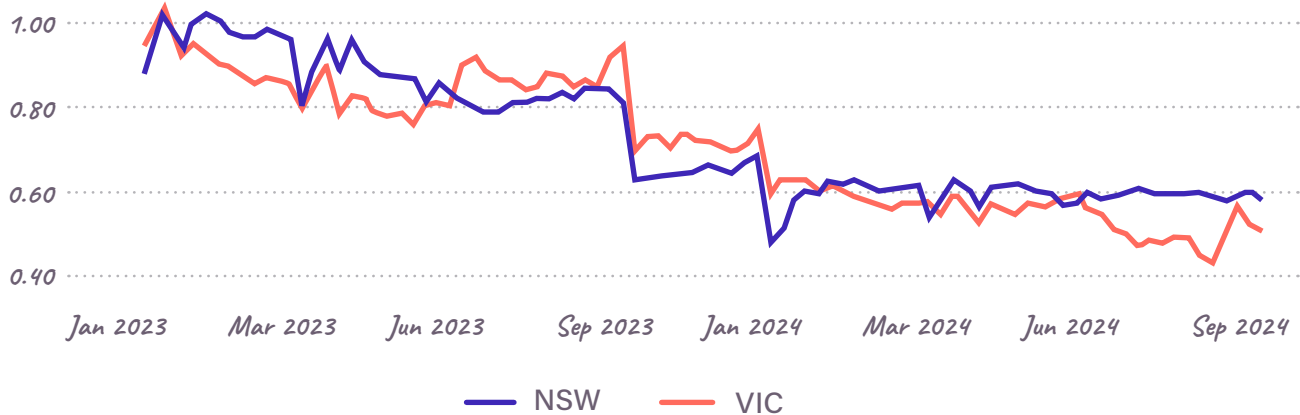
Gen Z retains majority share of Retail

The generational composition of Australia's shift workforce remained stable in 2024, with no significant changes in employment shares between Gen Z and Millennials. Gen Z continues to hold the largest share of shift work hours at 48%, followed by Millennials at 28% and Gen X at 18%.

While the dominance of Gen Z persists, 2024 marked the entry of Gen Alpha into the workforce. As more members of this generation exit their school years, their presence in shift-based industries is expected to grow substantially over the next three years. This emerging trend signals a new wave of workforce entrants who will bring fresh expectations and working habits to the shift economy.

Share of Shift Work Hours by Generation

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

	Gen Alpha	Gen Z	Millenials	Gen X	Baby Boomers
2023	0.00%	48%	28%	17%	7%
2024	0.01%	48%	28%	18%	6%

2023 ■ ■ 2024

Women continue to dominate retail shift work

Women remain the majority workforce in Australia's Retail sector, with female shift workers continuing to play a leading role across the industry. Despite low employment growth in Retail overall, the share of female shift work hours actually increased, rising from 51% in 2023 to 60% in 2024.

**This growth was primarily driven by an increase in female shift work hours across key Retail sub-sectors, including:**

- **Gyms (+32%)**
- **Supermarkets & Food and Beverage Stores (+2%)**
- **Clothing and Personal Care Stores (+2%)**

The rising share of women in shift-based retail roles underscores a broader shift in workforce composition, reflecting both industry-specific hiring trends and the continued demand for flexible, stable employment opportunities.

As women continue to expand their footprint in Retail, businesses will need to adapt to evolving workforce expectations—particularly around job flexibility, career progression, and work-life balance.

Share of Shift Work by Gender and Year

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

	Female	Male
2023	51%	49%
2024	60%	40%

2023 ■ 2024 ■
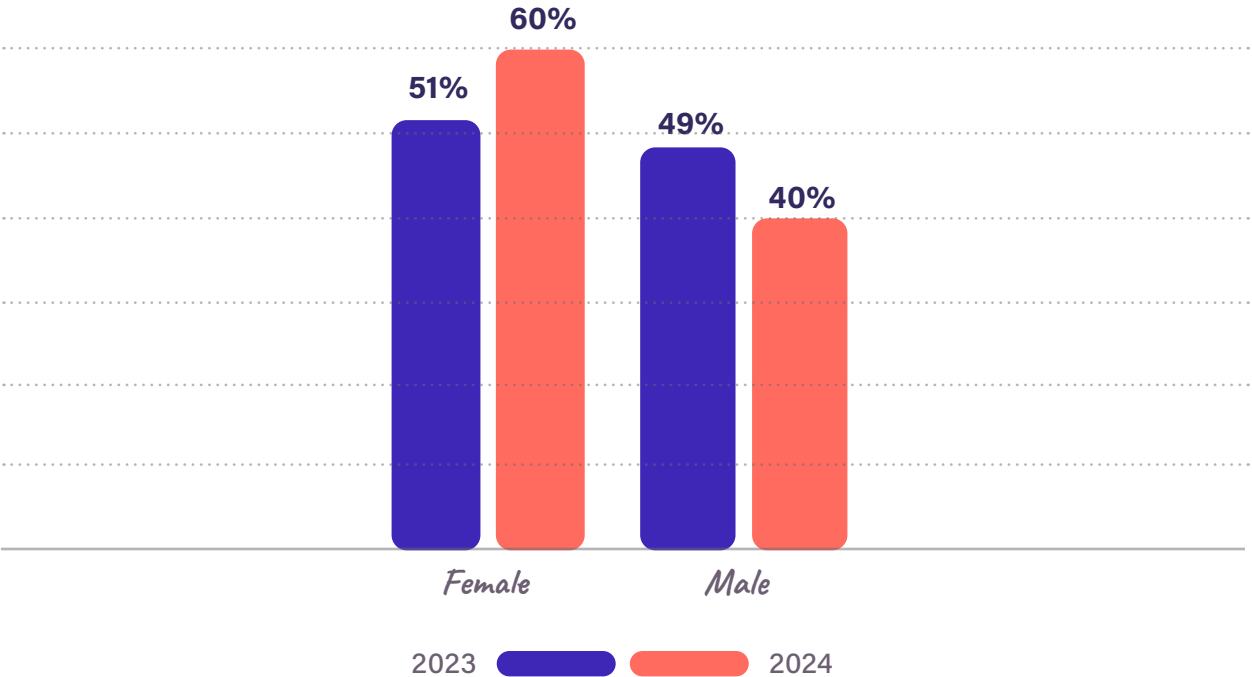
Retail wages rise, but inflation dampens gains

Retail workers in Australia saw average hourly wages increase from $27.40 to $32.50 in 2024. While this suggests a significant nominal wage growth, the impact of inflation has eroded much of these gains. After adjusting for inflation, real hourly wages have only risen to $28.50 at January 2022 prices.

For much of the cost-of-living crisis, real wages in the Retail sector had been declining, leaving many workers struggling to keep up with rising expenses. This financial strain may be a key driver behind high turnover intentions within the industry. Deputy survey data reveals that 36% of Retail workers are considering resigning—either to switch companies, transition to a different industry, or exit the workforce entirely.

Higher wages linked to improved worker sentiment

Deputy's HR and Shift Pulse data identifies a strong correlation between wage increases and positive worker sentiment in Retail. For every $1 increase in hourly pay, workers were 1.6 times more likely to report feeling positive after completing a shift. This trend underscores the growing importance of wage growth in shaping job satisfaction and retention. With cost-of-living concerns continuing to weigh on employees, improved wages have the potential to not only enhance worker sentiment but also support retention in the Retail sector heading into 2025.

Worker Sentiment Trends in Retail

Source: Deputy ShiftPulse, 2024

Legend: Stressed — Frustrated — Okay
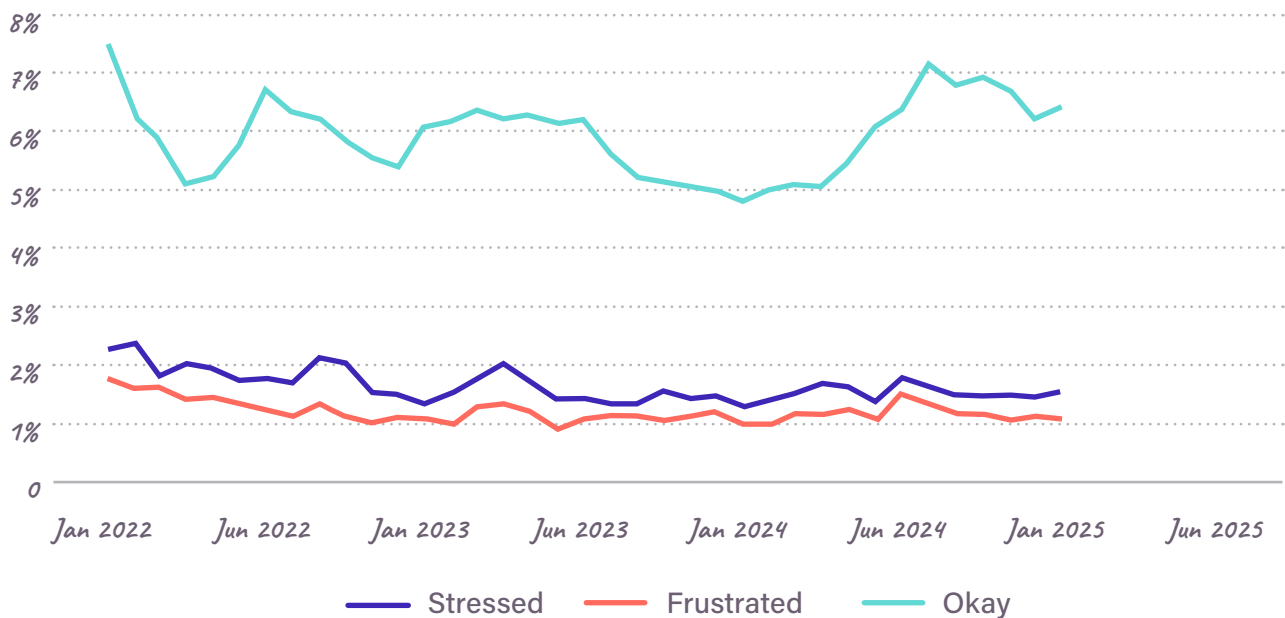
Poly-employment key to financial stability

For Retail workers who are not resigning, poly-employment has emerged as an alternative solution to manage financial pressures. Deputy data indicates that in 2024, poly-employment rates remained at peak levels, with a substantial 31% of Retail shift workers holding two or more jobs simultaneously.

Although this rate is lower than poly-employment levels observed in other industries, it still reflects a significant portion of the Retail workforce engaging in multiple roles to sustain their income. With pay and remuneration expected to remain a key driver of job intentions in 2025, the prevalence of multi-job workers within the Retail industry is unlikely to decline in the short term.

Retail shift sentiment holds steady

Despite the ongoing financial strain and the challenges of juggling multiple jobs, Retail shift workers have largely maintained their workplace sentiment. Deputy's Shift Pulse data shows that 9% of Retail shift workers report feeling "stressed," "frustrated," or simply "okay" about their shifts.

Interestingly, the rate of negative shift sentiment in Retail has remained unchanged throughout 2024. This suggests that financial pressures and poly-employment do not necessarily translate to lower job satisfaction. Workers in Retail appear to be adapting to economic conditions, with factors beyond wages—such as workplace environment and job flexibility—playing a crucial role in shaping overall sentiment.

As 2025 approaches, wage adjustments, employment flexibility, and workforce stability will be critical factors in determining whether Retail can retain workers or continue facing high turnover and poly-employment trends.

# Hiring rates decline amid economic uncertainty, but 2025 recovery expected

Deputy data reveals that hiring in the Retail sector declined as a result of the cost-of-living crisis, as economic uncertainty and financial headwinds led many businesses to pause hiring and delay onboarding new workers.

However, with inflation easing and interest rates expected to decline in 2025, business confidence may improve, leading to a rebound in retail hiring. As economic conditions stabilise, retailers will likely revisit expansion plans and staffing needs to meet shifting consumer demand.

Hiring Rate in Retail Sector

Source: Deputy HR (2024).
Hiring rates are calculated as the total number of monthly new hires divided by total number of monthly shifts
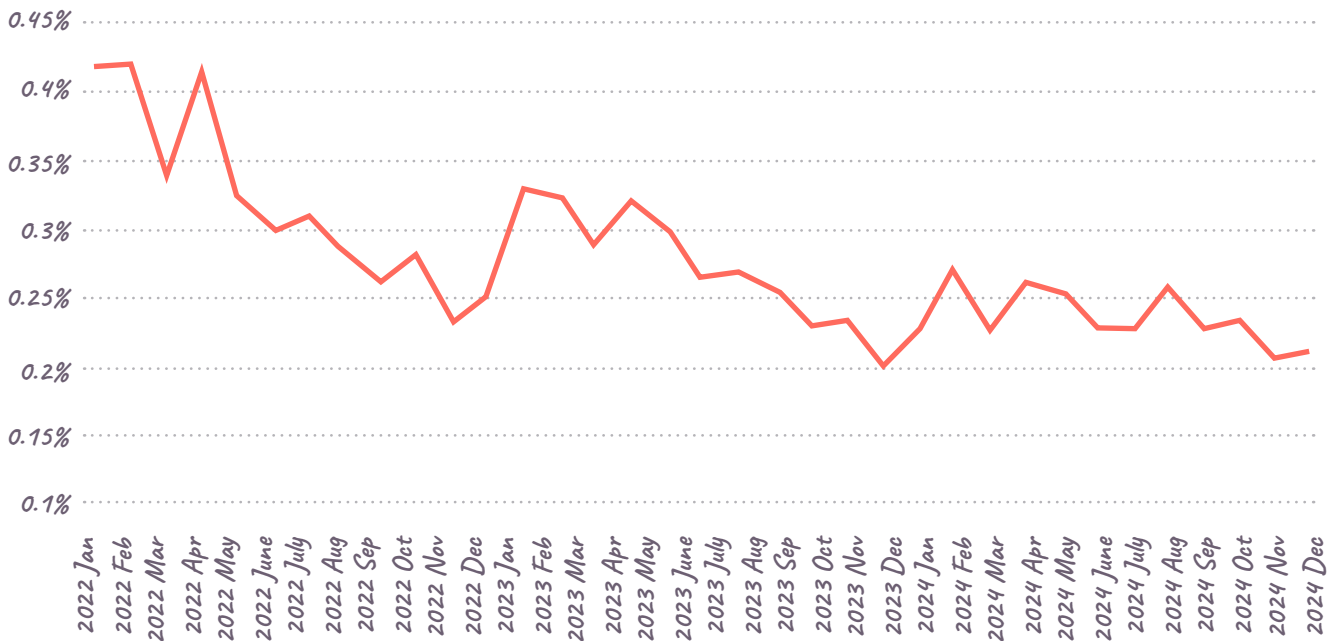
Stable termination rates

While hiring slowed in 2024, termination rates remained stable and even declined in recent months. This suggests that Retail and other shift-based industries have not been significantly impacted by lower consumer spending or labour-replacing technologies. Despite financial pressures on households, employment levels have held steady, reflecting a level of resilience within the sector.

Looking ahead, termination rates are expected to continue declining as the economy strengthens throughout 2025. As consumer spending recovers and business confidence improves, job stability within shift-based industries is likely to increase, providing more security for workers in Retail and beyond.

The Retail industry is poised for growth in 2025, with employment levels expected to rise as declining inflation paves the way for interest rate cuts from the Reserve Bank of Australia (RBA). With financial relief on the horizon, consumer confidence and spending are likely to recover, driving demand for retail jobs.

However, the industry remains vulnerable to external economic shocks. A substantial drop in interest rates could weaken the Australian dollar, reducing purchasing power and increasing the cost of imported goods. Additionally, potential U.S. tariffs on exports could further raise import prices, creating additional challenges for retailers that rely on international supply chains.

# *Night-time economy* to drive retail growth

In the short to medium term, twilight trading hours (5 PM – 7 PM) and the expansion of Australia's night-time economy are expected to play a major role in reshaping the retail landscape. Several key factors are driving this shift:

- **Changing consumer habits and rising incomes:** As household incomes recover, demand for vibrant, late-night retail and hospitality experiences is growing.

- **Regulatory shifts:** City governments are loosening trading restrictions, particularly in CBDs like Perth, to revitalise economic activity and encourage evening commerce.

- **Urban heat and climate change impacts:** With rising daytime temperatures, consumers are shifting their shopping and dining habits toward cooler evening hours.

These trends are reshaping retail patterns, positioning twilight trading as a key driver of economic activity in Australia's urban centres. As demand for late-night shopping increases, employers will need to adjust workforce planning to accommodate extended trading hours, particularly in major city economies.

Peak Day Temperatures and Night Time Spending
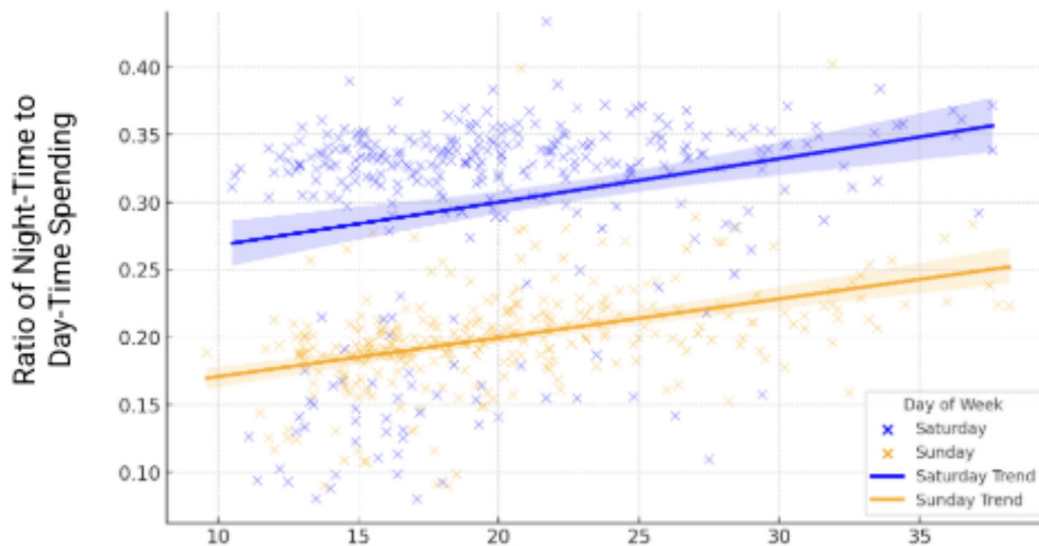
AI and automation in retail

While Retail has long been considered vulnerable to automation, AI and digital technologies are more likely to enhance worker productivity than replace jobs outright. The integration of online and physical retail is leading to new logistics roles that blend traditional retail functions with digital fulfilment. As the digital economy expands, logistics positions—such as inventory management, last-mile delivery, and fulfilment coordination—will be increasingly recognised as legitimate Retail jobs. This shift is creating a new category of "front-end and back-end retail" positions, where workers engage in both customer-facing and behind-the-scenes retail operations.

Beyond streamlining processes, AI and automation could lower business costs, encouraging new retail entrants and driving demand for shift-based roles. Rather than simply replacing jobs, technology has the potential to reshape the industry and drive net job growth. As consumer spending patterns evolve, technology-driven efficiency gains are expected to support long-term job growth in occupations such as:

- Checkout Operators
- Office Cashiers
- Retail Logistics Workers

While automation will continue to streamline processes within the industry, the long-term outlook suggests a more resilient and adaptable workforce, where technology enhances rather than replaces human roles.

Subsector

Hospitality Industry

# *Hospitality* sector drives growth in Australia's shift work industry

The Australian shift work industry has seen significant expansion, marked by a 40% increase in shift work hours since early 2023, according to Deputy data. This growth reflects shifting consumer spending patterns, particularly in capital cities, where night-time spending has surged. Rather than allocating discretionary income toward retail purchases or big-ticket expenses such as international travel, Australians are prioritising experiences—favouring dining, entertainment, and hospitality venues.

The shift has strengthened the Hospitality sector, fuelling higher demand for shift and boosting economic resilience in urban centres. Fast food and casual dining have seen the strongest employment gains, with shift work doubling since 2022 as consumers seek affordable dining options. The trend extended beyond fast food, as consumer spending also fueled growth in full-service restaurants and bars. Deputy data shows that:

• **Sit-down restaurants** – 60% increase in shift work hours.

• **Bars** – 26% rise in shift work activity.

Deputy Job Index by Sectors

Source: Indexed to Jan 2022 using data from Deputy (2024)
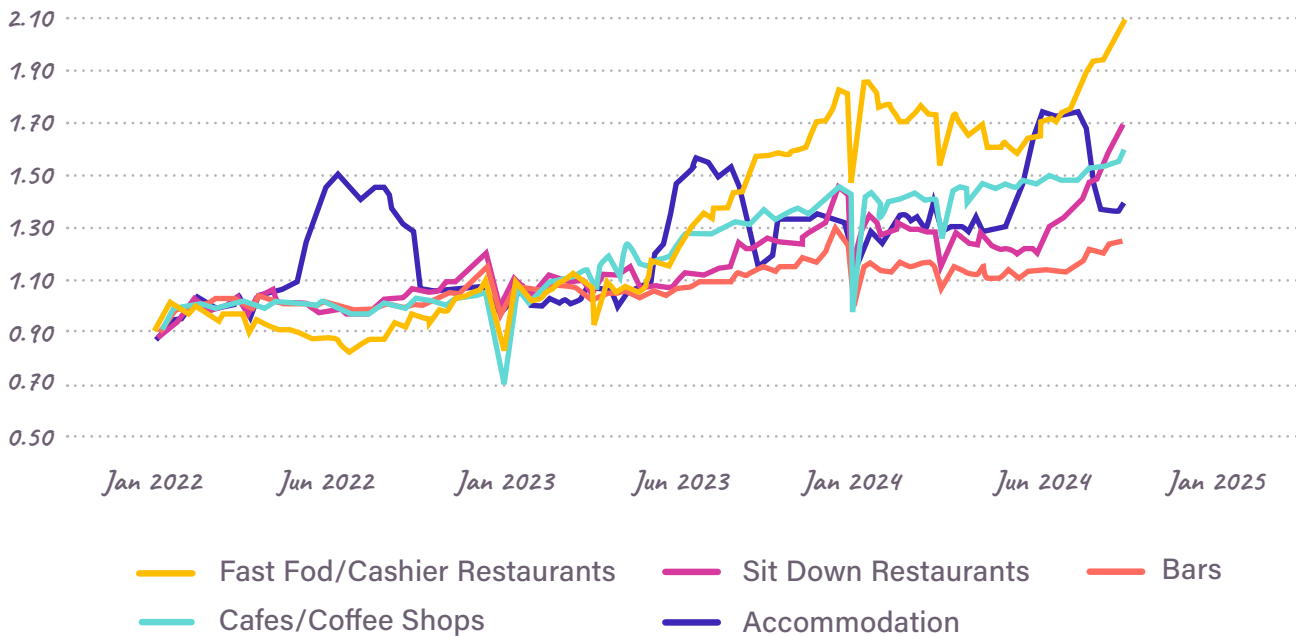
Comparing hospitality employment in
NSW and VIC

While the Hospitality sector has driven overall employment growth in shift work, NSW has seen sharp declines in Hospitality employment levels in 2024. The state has borne the brunt of the cost-of-living crisis, with multiple economic pressures contributing to the downturn.

Three main factors have driven this decline:

- **Stagnant wage growth and inflation:** Consumer spending power has been severely weakened due to stagnant wages paired with rising inflation.

- **Surging Housing Costs:** The rise in property prices and rental rates have further eroded disposable incomes, leaving less room for discretionary spending on dining and entertainment.

- **Shifts in consumer spending:** away from Sydney's CBD to more affordable options in the suburbs, leading to declining foot traffic and reduced shift work opportunities in the city centre.

In contrast to NSW, Victoria has emerged as the primary driver of national hospitality employment growth, overcoming similar economic challenges through their:

- **Night-Time economy boost** – Victoria has benefited from significantly higher levels of night-time spending, fueled by both domestic and international tourism. As Melbourne's night-time economy continues to mature, hospitality businesses have seen sustained demand, leading to increased hiring of shift workers.

- **High-profile international events–** Major events such as the Australian Open and the Taylor Swift concert series have provided substantial economic stimulus to Melbourne's hospitality sector. These large-scale events have drawn both domestic and international visitors, driving increased spending in the CBD and surrounding entertainment precincts.

As a result, Victoria has maintained stronger hospitality employment levels than NSW, reinforcing its position as a key player in Australia's expanding night-time economy.

Deputy Job Index by Major Markets

Source: Indexed to Jan 2022 using data from Deputy (2024)

NSW — VIC
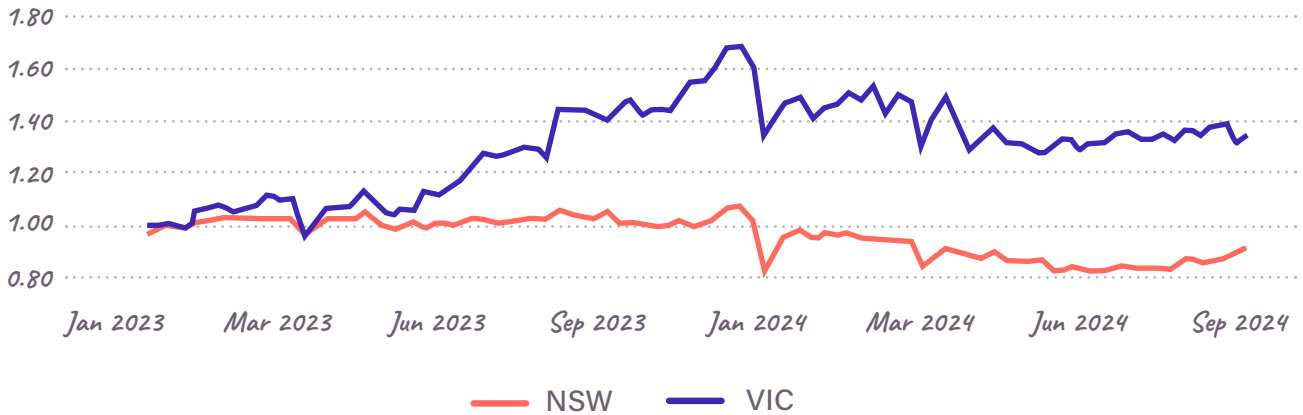
Gen Z dominates Hospitality shift work as Gen Alpha enters the market

In 2024, the share of Gen Z shift work hours increased from 51% to 54%, further solidifying their position as the dominant generational workforce in Australia's shift economy. At the same time, the share of shift work hours for Millennials declined to 31%, followed by Gen X at 11% and Baby Boomers at just 3%. 2024 also marked the continued entry of Gen Alpha into the labour market. While their presence remains marginal, growing from 0.02% to 0.1% of total shift work hours, their presence is expected to grow significantly over the next three years as more individuals from this generation exit school-age levels and enter the workforce.

Share of Shift Work Hours by Generation

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

2023 ■ ■ 2024
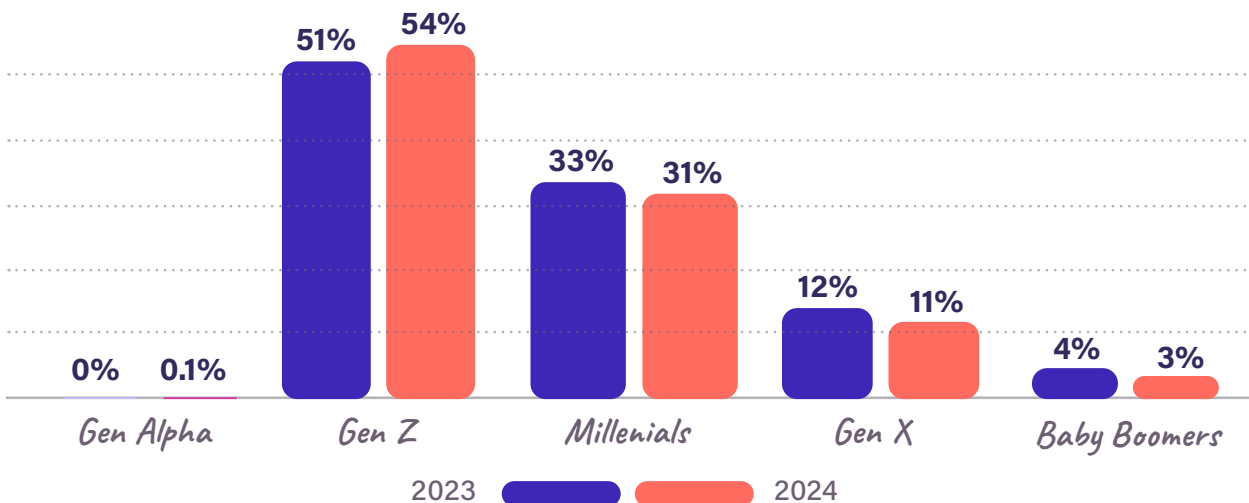
Gender balance in hospitality shift work holds steady

Women and men continue to contribute roughly equal shift work hours in the Hospitality sector. Encouragingly, Deputy data shows that the cost-of-living crisis has not had a negative impact on female shift work participation, with women maintaining 49% of all Hospitality shift work hours. This stability suggests that, despite broader economic pressures, employment opportunities for women in the sector have remained consistent.

However, the industry continues to grapple with high turnover intentions. Deputy survey data identifies that 27% of Hospitality workers are looking to resign, whether to seek employment with a new company, transition to a different industry, or leave the workforce entirely.

Wages drive worker sentiment

Deputy HR and Shift Pulse data reveal a strong correlation between wage increases and positive worker sentiment in Hospitality. For every $1 increase in hourly wages, workers were 13% more likely to report a positive sentiment after completing a shift.

Given ongoing cost-of-living pressures, this strong link between pay and worker satisfaction highlights the role that improved wages can play in supporting worker retention in the Hospitality sector into 2025.

Worker Sentiment Trends in Retail

Source: Deputy ShiftPulse, 2024
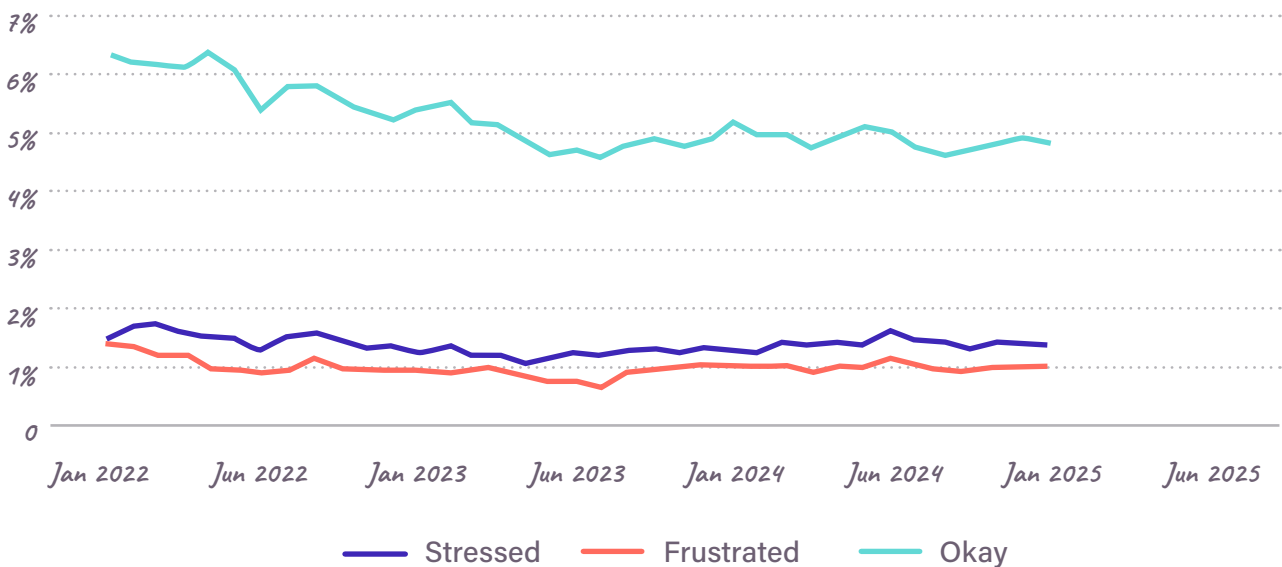
Nominal pay increases masked by inflation

Hospitality shift workers experienced an increase in their average nominal hourly wage, rising from $29.10 to $32.80 in 2024. While this appears to be a substantial gain, inflationary pressures have eroded most of these wage increases. When adjusted for inflation (at January 2022 prices), real hourly wages have actually declined to $28.70. This decline in purchasing power is placing additional financial strain on Hospitality workers and influencing their job intentions. Many are either considering leaving the industry for higher-paying opportunities or taking on multiple jobs to supplement their income.

Poly-Employment supports hospitality workers

For those who are not resigning, poly-employment—holding multiple jobs simultaneously—remains a key strategy for coping with rising costs. Deputy data shows that Hospitality continues to be the most popular industry for poly-workers in Australia. Half of all poly-workers in the country hold multiple jobs within the same industry, with 43% of hospitality poly-workers working additional hospitality jobs at different businesses. Heading into 2025, pay and remuneration will remain a primary factor influencing job retention and employment decisions within the Hospitality sector.

Poly-employment by Industry
Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

Legend: 4 jobs, 3 jobs, 2 jobs
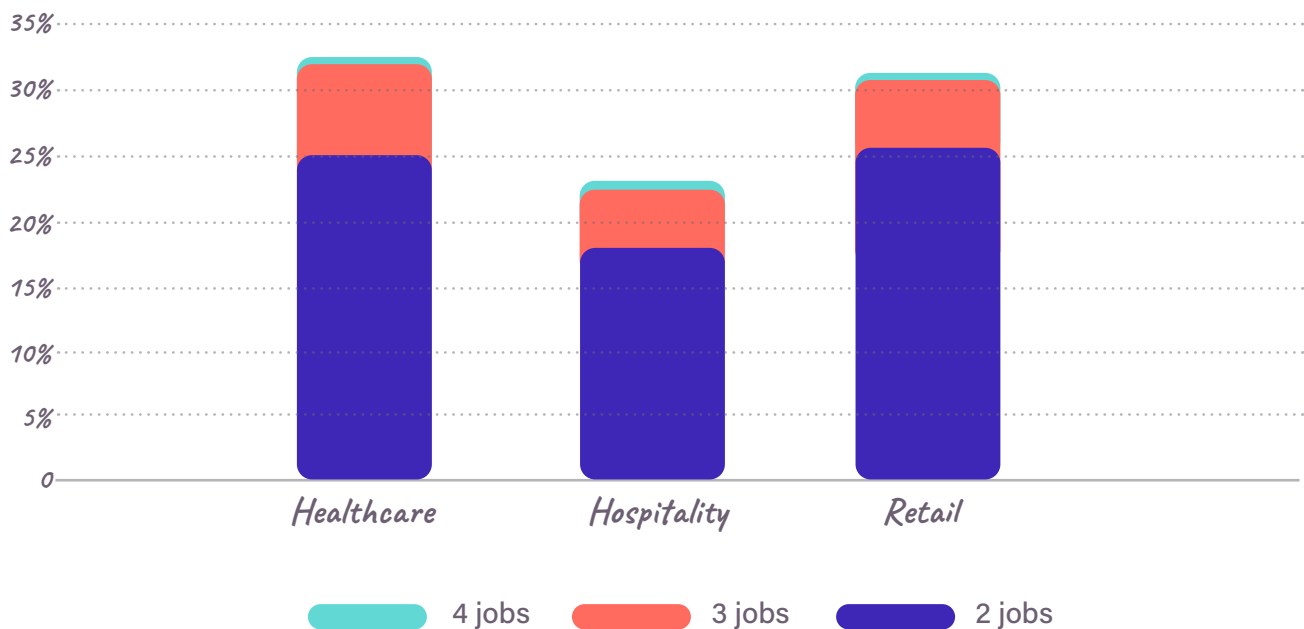
Hospitality worker sentiment

Deputy Shift Pulse data reveals that 9% of Hospitality shift workers report feeling "stressed," "frustrated," or just "okay" about their shifts. Despite ongoing financial pressures and the rise of poly-employment, negative shift work sentiment in Hospitality is showing signs of improvement.

Interestingly, cost pressures and juggling multiple jobs do not necessarily translate to lower sentiment across the board. While financial strain remains a challenge, workers in some industries appear to be adapting to the economic climate, signalling resilience in Australia's shift work economy.

Hiring trends and economic outlook for

Deputy data identifies that hiring rates in Hospitality declined throughout the cost-of-living crisis. This trend aligns with broader business sentiment, as economic uncertainty led many employers to pause recruitment efforts and delay onboarding new workers. However, as economic conditions are expected to improve in 2025, these hiring trends are likely to reverse, with businesses resuming recruitment efforts in response to renewed consumer demand.

Despite the slowdown in hiring, termination rates have remained stable and have recently begun to decline. This suggests that industries have not been significantly impacted by lower consumer expenditure, and businesses have largely been able to retain their existing workforce. As the economic landscape improves, termination rates are expected to continue declining throughout 2025, reinforcing a positive employment outlook for the year ahead.

The Hospitality sector is poised to maintain its growth trajectory into 2025, supported by an improving NSW market as inflation declines and the Reserve Bank of Australia (RBA) begins easing interest rates. Although the Australian economy remains susceptible to interest rate shocks, the weaker Australian dollar (AUD) may offer a boost to Hospitality, particularly through increased international tourism, from emerging and developed Asian markets. This influx of international visitors could help offset any declines indomestic demand, further stabilising the sector.

Hiring Rates in Hospitality

Source: Deputy HR (2024). Hiring rates are calculated as the total number of monthly new hires divided by total number of monthly shifts.

— Termination Rate
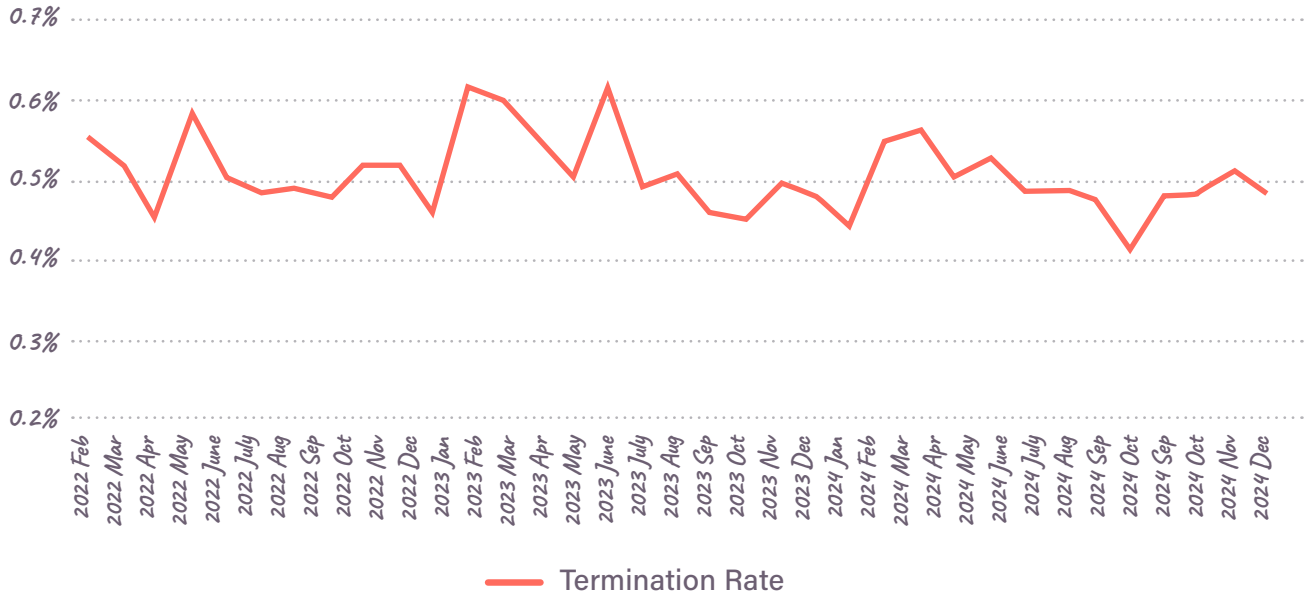
Acceleration of the night-time economy

In the short to medium term, night-time economic growth is expected to accelerate across Australia's metropolitan cities. This shift is being driven by three key factors:

- **Changing consumer habits and rising Incomes:** As household incomes recover, demand for vibrant, late-night retail and hospitality precincts continues to grow. Cities like Brisbane and Sydney are expected to mature into major night-time economy destinations, much like Melbourne has over the past five years.

- **Regulatory changes:** City governments are gradually easing trading restrictions, particularly in CBDs, to stimulate economic revitalisation and encourage evening commerce. Perth, for example, has already implemented policy shifts designed to expand the number of businesses permitted to operate late into the night.

- **Climate change and urban heat:** Rising daytime temperatures are shifting consumer behaviour, with more people choosing to shop and dine during cooler evening hours. This trend is particularly evident in Melbourne, where extreme daytime temperatures have increased night-time spending in retail and hospitality.

These structural shifts in consumer behaviour are reshaping hospitality demand, making evening and late-night commerce a key driver of economic activity in Australia's urban centres. As a result, employers will need to adjust workforce planning, ensuring that a greater share of shift workers are available for late-night trading in major city economies.

Hospitality jobs to grow despite automation

Despite concerns about automation replacing jobs, consumer demand is expected to sustain even the most automation-vulnerable roles within the Hospitality industry. Forecasts indicate that employment for Fast Food Chefs is set to increase by +10,300 jobs, while Cashiers will see a gain of +8,500 jobs. These figures highlight the resilience of shift work roles within the industry, as human interaction and service quality remain integral to hospitality experiences.

Ageing and wealthier population driving demand for home-based services

Australia's ageing and wealthier population is expected to generate increased demand for home-based care services. While much of this growth will be concentrated within traditional healthcare roles, such as at-home nurses, visiting doctors, and personal care aides, higher-income households are also expected to increase their demand for premium personal services.

This shift is anticipated to create new opportunities for independent, high-skill contract workers offering personalised services directly in private homes. In particular, the demand for personal chefs, in-home catering services, and bespoke hospitality experiences is expected to rise, reinforcing the emergence of micro-shift occupations—a growing sector characterised by on-demand, high-skill independent workers catering to clients in their homes.

These evolving trends highlight the growing diversification of shift work employment, as new job categories emerge to meet the demands of a changing consumer base. As the workforce adapts to these transformations, businesses and workers alike will need to embrace new models of employment, ensuring that Australia's shift work economy continues to thrive in the years ahead.

Subsector

Healthcare Industry

Healthcare **sector stagnating**

The Healthcare industry saw little improvement in shift work hours throughout 2024, as employment growth remained largely stagnant. Unlike other industries affected by cost-of-living pressures, Healthcare has been more impacted by spending cuts from government agencies. To reduce budget deficits accumulated during the COVID-19 pandemic, State and Territory governments have scaled back funding allocations, limiting new hiring and restricting contractor employment in major markets.

As a result, most healthcare sectors experienced only marginal changes in shift work activity throughout the year. However, Hospital hiring levels declined as government-driven spending cuts directly impacted recruiting new staff and contractors in key metropolitan locations. This reduction in workforce expansion has further constrained growth within the sector, particularly in public healthcare facilities where budgetary limitations have restricted new employment opportunities.

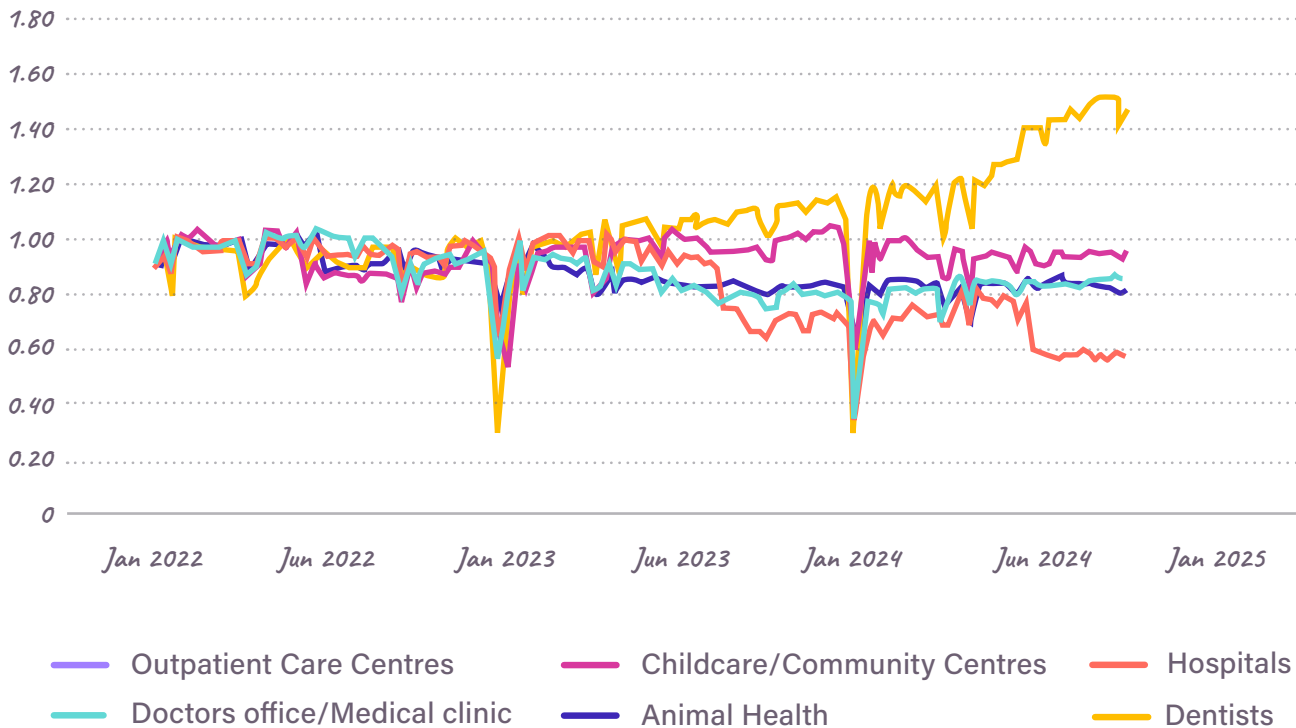# *Dentistry thrives* **amid economic pressures**

While most healthcare segments remained stagnant, dentistry experienced significant growth throughout the cost-of-living crisis. Unlike other healthcare services that rely heavily on public funding, dentistry is predominantly supported by private insurance and out-of-pocket payments, making it less vulnerable to government budget cuts.

Despite declining discretionary spending in other areas, dental services have continued to be seen as essential by many Australian households, allowing the sector to maintain strong employment demand even as other industries faced economic uncertainty. This resilience underscores the ongoing consumer prioritisation of health and well-being, even in financial strain.

Looking ahead, the healthcare sector's recovery will largely depend on government policy decisions regarding future healthcare spending, workforce expansion, and investment in public health services. Until fiscal conditions improve, the industry is expected to see only moderate employment growth, with limited expansion in publicly funded sectors and continued reliance on privately funded services to drive hiring demand.

Deputy Job Index by Sectors

Source: Indexed to Jan 2022 using data from Deputy (2024)

- Outpatient Care Centres
- Doctors office/Medical clinic
- Childcare/Community Centres
- Animal Health
- Hospitals
- Dentists

Gen Z leads Healthcare shift work

In 2024, Gen Z surpassed Millennials to become the largest generational workforce in Healthcare shift work, making up 36% of all shift work hours. Millennials follow closely at 35%, while Gen X accounts for 21%. This generational shift reflects the growing presence of younger workers in healthcare roles, as many Millennials transition into more senior or non-shift-based positions.

Unlike other industries, Healthcare remains largely inaccessible to Gen Alpha at this stage. Due to the higher skill requirements and licensing demands within the sector, there is no measurable representation of Gen Alpha within Healthcare shift work.

However, as Gen Alpha continues to exit school-age levels, its presence in shift work is expected to grow over the next three years. While they may not immediately enter clinical roles, they will likely take on entry-level positions such as receptionists, administrative assistants, and support staff before progressing into more specialised healthcare careers.

This generational shift will reshape workforce dynamics within Healthcare, as younger workers bring new expectations, technological adaptability, and workplace preferences to the industry. As a result, employers will need to prepare for evolving workforce trends, ensuring that training pathways and career development opportunities align with the expectations of this emerging generation.

Share of Shift Work Hours by Generation

Source: Deputy (2024) Comparing Jan-Oct 2023 and 2024 Years

	Gen Alpha	Gen Z	Millenials	Gen X	Baby Boomers
2023	0.0%	33%	36%	22%	9%
2024	0.0%	36%	35%	21%	8%
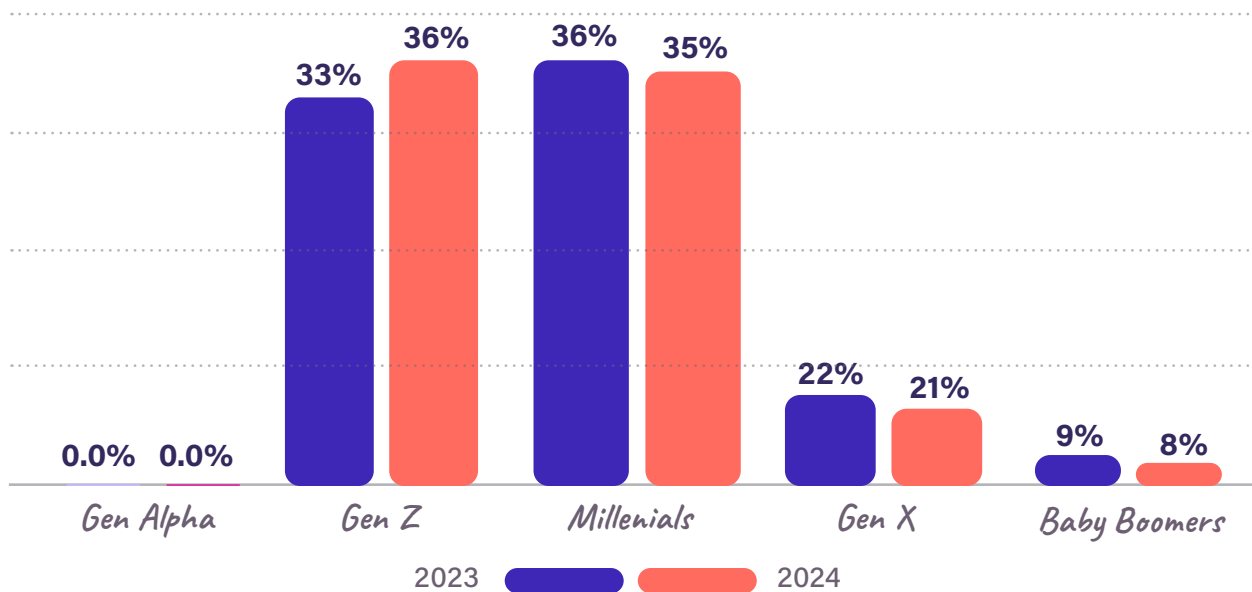
Women continue to dominate healthcare shift work

Women continue to make up the majority of shift work hours in the Healthcare industry, with Deputy data showing that female workers account for 79% of all Healthcare shift work hours. Encouragingly, despite government budget cuts impacting hiring in some sectors, the share of female employment in Healthcare has remained largely unaffected.

Job intentions of Healthcare shift workers

Deputy's survey data indicates that 15% of Healthcare workers are actively considering leaving their jobs. Whether to seek employment with a new company, transition to a different industry, or exit the workforce entirely. While this resignation rate is lower than in other industries, it underscores the ongoing financial pressures faced by healthcare shift workers. Cost-of-living concerns remain a key issue, contributing to high correlations between wage changes and worker sentiment.

Wages drive worker retention

Deputy HR and Shift Pulse data reveal a strong relationship between wage increases and worker sentiment. For every $1 increase in hourly wages, Healthcare workers were 13% more likely to report positive work sentiments after completing a shift.

This finding highlights how improved wages can lead to tangible improvements in job satisfaction and, potentially, better worker retention in Healthcare going into 2025. Healthcare shift workers experienced a substantial increase in their average hourly wage, rising from $35.30 to $39.30 in 2024. However, inflation has eroded most of these gains, with real hourly wages (adjusted to January 2022 prices) sitting at just $34.40.

For much of the cost-of-living crisis, real wages in Healthcare have actually declined, meaning that even as nominal wages have risen, workers have not felt the full financial benefit. This economic strain may influence job intentions, as some healthcare workers consider leaving the industry for better-paying opportunities.

Worker Sentiment Trends in Healthcare

Source: Deputy ShiftPulse, 2024

Legend: Stressed — Frustrated — Okay
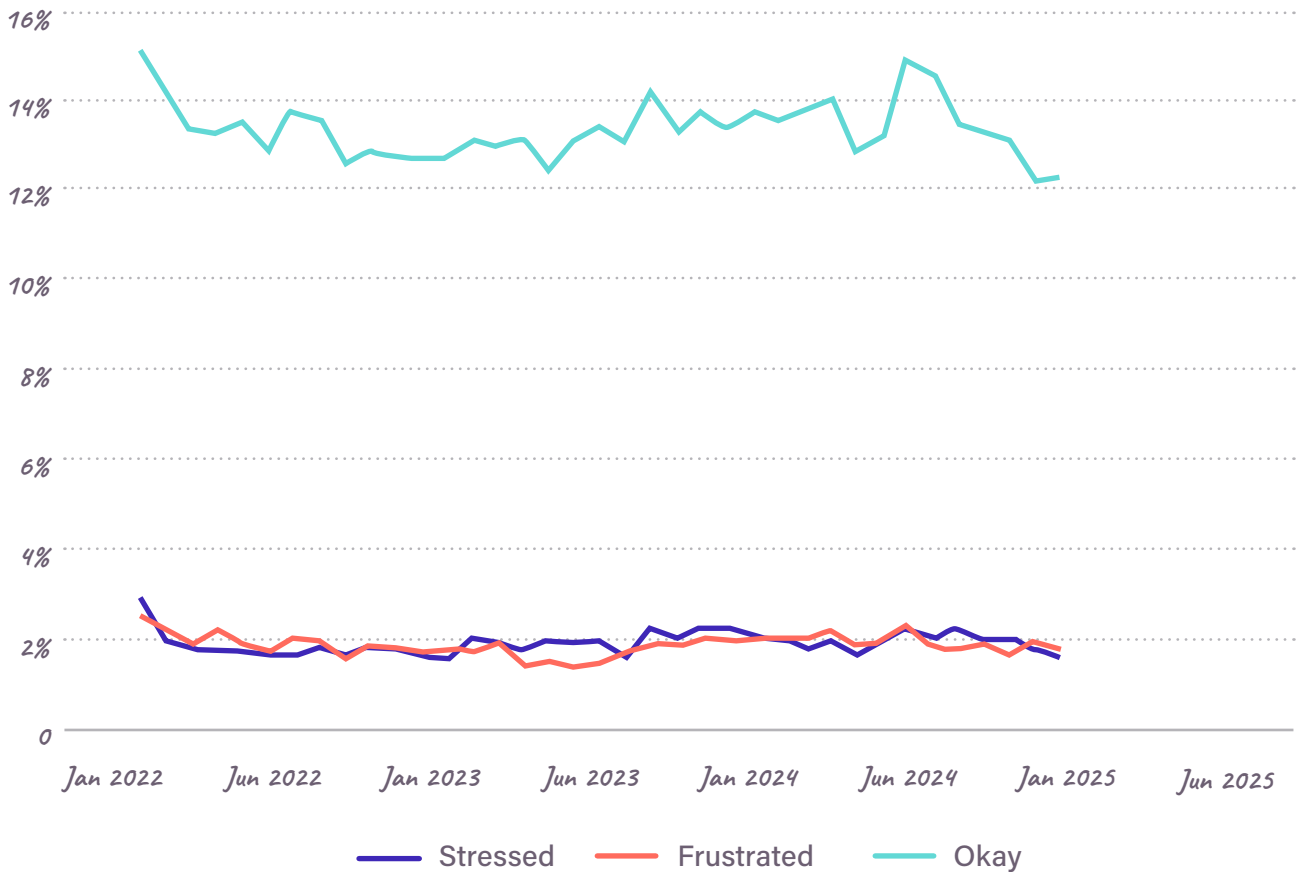
Poly-employment rises as workers seek additional income

For those not resigning, poly-employment—holding multiple jobs simultaneously—remains a common strategy for managing financial pressure. Deputy data reveals that 33% of Healthcare shift workers currently hold two or more jobs at once, a significant portion of the workforce relying on secondary employment to compensate for stagnant real wages and increasing living costs.

Pay and remuneration are expected to remain key drivers of job decisions in Healthcare through 2025, and employers will need to address these financial challenges to retain skilled workers and sustain workforce stability.

Worker sentiment continues to improve

Deputy Shift Pulse data shows that 15% of Healthcare workers report feeling 'stressed,' 'frustrated,' or just 'okay' about their work shifts. Interestingly, this mirrors the percentage of Healthcare workers actively looking for a new job, suggesting dissatisfaction is closely linked to job-seeking behaviour.

However, negative sentiment in Healthcare is showing signs of improvement. Deputy data indicates that as wages have gradually increased, worker sentiment has improved, leading to a decline in overall dissatisfaction. This suggests that continued wage growth in the sector could be crucial in improving retention and reducing workforce turnover in the coming years.

Healthcare industry set for rebound in 2025

Deputy data identifies that hiring rates across all industries, including Healthcare, declined throughout the cost-of-living crisis. Concerns over economic headwinds and government budget constraints led many healthcare facilities to pause onboarding new workers, limiting employment growth across the sector.

However, as the economic outlook improves heading into 2025, these trends are expected to reverse. Termination rates have remained stable and have recently started to decline, indicating that budget cuts have not resulted in widespread layoffs among healthcare workers and contractors. As inflation continues to decline and the Reserve Bank of Australia (RBA) introduces interest rate cuts, major markets—including Healthcare—are expected to stabilise, setting the stage for stronger employment growth in the coming year.

As government budget deficits improve, the Healthcare sector is expected to resume its trajectory as a leading driver of employment growth in Australia. Over the long term, Healthcare will remain one of the fastest-growing industries in the country, with demand for skilled workers continuing to rise.

For example, the number of registered nurses in Australia is projected to grow by 40,400 new roles over the next decade, highlighting the sustained need for healthcare professionals. As government spending continues to support growth in the sector, employment opportunities will expand, ensuring that the industry remains a key pillar of the Australian labour market.

AI and automation transforming the future of Healthcare Work

The emergence of AI and automation technologies is set to enhance rather than replace jobs within the Healthcare sector. Unlike other industries where automation may lead to workforce reductions, AI in Healthcare is expected to support workers, improve efficiency, and enhance the quality of patient care.

AI-driven advancements will play a crucial role in optimising healthcare operations and improving job quality for nurses, doctors, and aged care professionals. Key areas where AI will reshape the industry include:

- **AI-powered administrative support** – Automating documentation, patient scheduling, and medical record management to free up time for direct patient care.

- **Decision-support tools** – AI-assisted diagnostics and predictive analytics will help healthcare professionals make faster, more accurate clinical decisions, improving patient outcomes.

- **Workload optimisation** – Smart rostering and AI-driven staffing models will enable better workforce distribution, reducing stress and fatigue among healthcare staff.

By integrating AI into daily healthcare operations, workers can focus on high-value tasks, improve patient care, and reduce the strain of repetitive administrative work. This shift is expected to lead to a more resilient, productive, and sustainable healthcare workforce, ensuring that the industry can meet the demands of an ageing and growing population.

Rising demand for home-based and independent healthcare services

Australia's wealthier and ageing population is also expected to drive growing demand for home-based healthcare services, including at-home nurses, visiting doctors, and personalised care providers. This shift will create new opportunities for high-skill independent contractors, leading to the rise of micro-shift occupations where healthcare professionals meet with clients directly in their homes.

As the sector evolves, AI-powered tools will play a pivotal role in supporting home-based care services, allowing workers to deliver high-quality care efficiently while minimising administrative burdens. These advancements will further solidify Healthcare as a leading industry for employment growth and innovation in Australia.

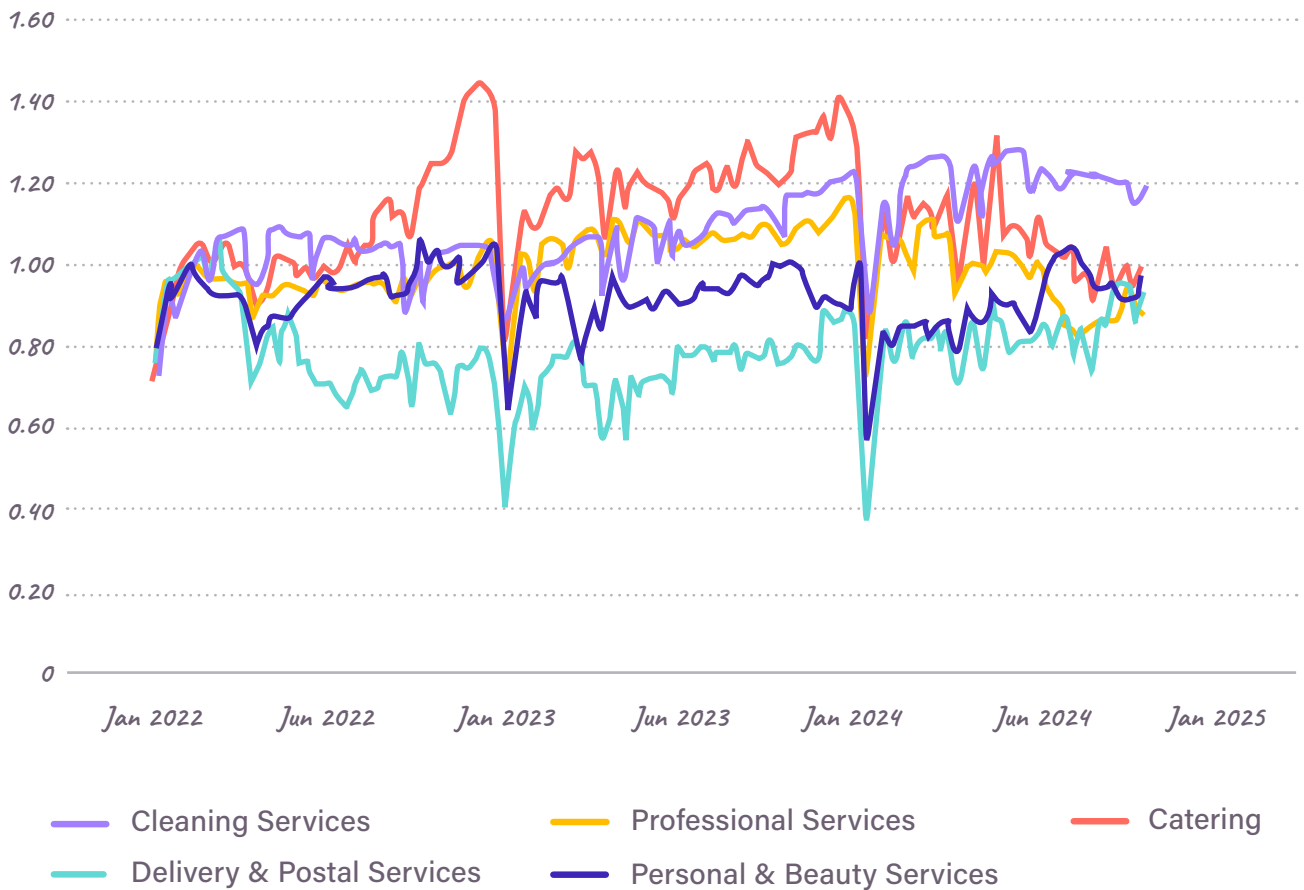*Subsector*

Services Industry

Services industry vulnerable

Deputy data identifies the Service industry as the most vulnerable sector during the cost-of-living crisis. Throughout this period, the industry experienced a steep decline in shift work hours, with levels dropping by as much as 20%. However, as economic conditions stabilised in the second half of 2024, the sector has shown signs of improvement.

Despite this recovery, shift work hours in the Service industry remain 6% below historical employment levels, highlighting the lingering effects of economic uncertainty.

Deputy Job Index by Sectors

Source: Indexed to Jan 2022 using data from Deputy (2024)

Legend:
- Cleaning Services
- Professional Services
- Catering
- Delivery & Postal Services
- Personal & Beauty Services

Gen Z dominates services industry

In 2024, Gen Z's share of shift work hours in the Services industry increased to 39%, officially making them the largest generational workforce in the sector. This shift displaced Millennials, who now represent 35% of shift work hours, followed by Gen X at 19% and Baby Boomers at 7%. The increasing presence of Gen Z in Services reflects broader employment trends, as younger workers take on more roles in customer service, logistics, and care-related occupations.

Deputy Job Index by Major Cities

Source: Indexed to Jan 2022 using data from Deputy (2024)
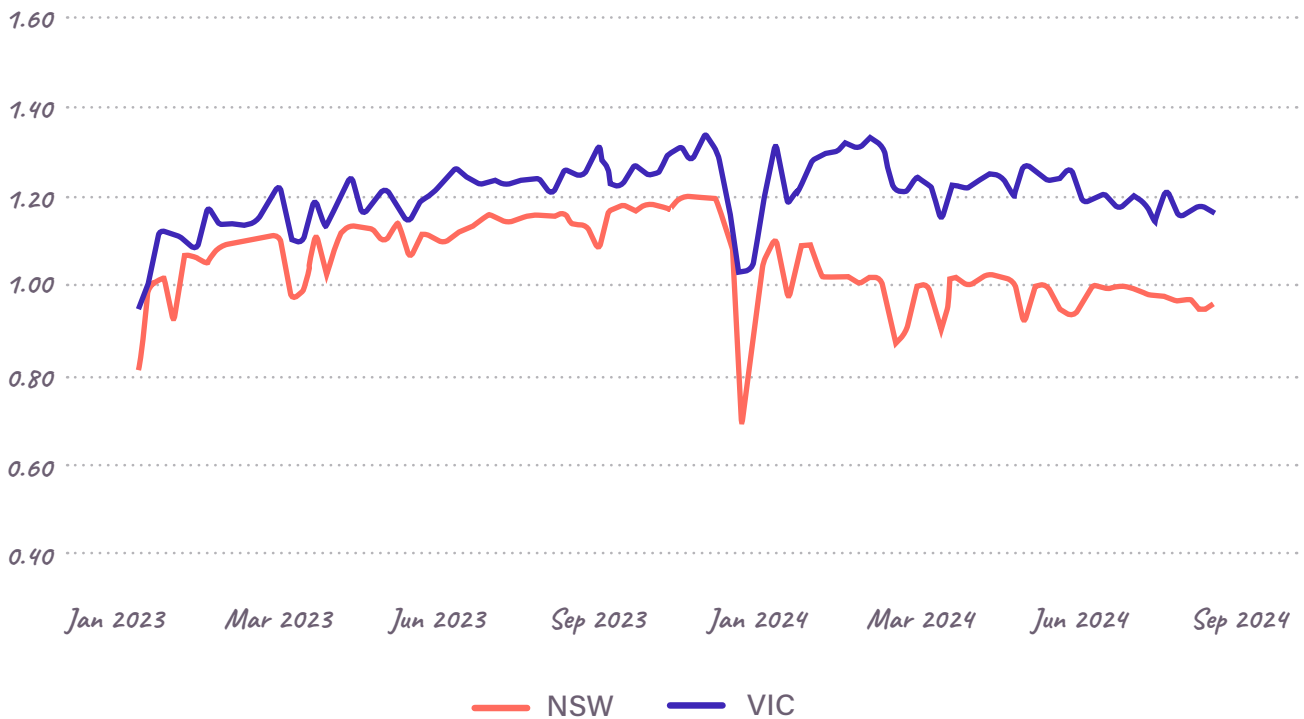
Women's representation
in services continues to grow

While men continue to hold a slight majority of shift work hours in the Services industry, largely due to the dominance of traditionally male sectors such as delivery and postal services, female participation is rising. Deputy data identifies that the share of female shift work hours increased from 43% in 2023 to 47% in 2024, marking steady progress toward greater gender balance in the sector.

Workers in the Retail sector, which overlaps significantly with Services, saw their average hourly wage increase from $35 to $36.60 in 2024. However, the continued rise in the cost of living has eroded these wage gains, with inflation-adjusted real wages declining to $32.10 at January 2022 prices. As inflation remains elevated and wage growth continues to lag behind rising costs, real incomes in Services and Retail are expected to decline further, placing additional financial strain on workers.

Highest levels of worker dissatisfaction

Deputy Shift Pulse data indicates that 19% of Services shift workers report feeling 'stressed,' 'frustrated,' or simply 'okay' about their shifts. While this rate has remained relatively stable, it is the highest share of negative worker sentiment compared to Hospitality, Healthcare, and Retail. The continued decline in real wages and difficulty in managing financial pressures may be contributing to higher dissatisfaction levels among workers in the sector. Without meaningful improvements in wage growth or cost-of-living relief, worker sentiment is likely to remain subdued into 2025.

Hiring slowdown

Deputy data confirms that hiring rates in Services industries declined throughout the cost-of-living crisis. Business sentiment remained cautious as economic headwinds led many employers to pause hiring and delay onboarding new workers.

However, termination rates have remained stable and have recently begun to decline, suggesting that job losses in the Services industry have not been significantly driven by lower consumer spending or the adoption of labour-replacing technology. As economic conditions begin to improve heading into 2025, hiring in the sector is expected to recover, particularly as inflation declines and the RBA introduces interest rate cuts.

Services industry poised for long-term growth

As government budget deficits improve, the Services industry is expected to resume its position as a leader in employment growth across Australia. Over the long term, the sector is projected to be one of the fastest-growing employment areas, particularly in care-related professions.

Aged and Disabled Care roles are expected to generate the highest number of new jobs in the sector, with forecasts projecting 74,900 additional positions in the coming years. Continued government expenditure and the expansion of the National Disability Insurance Scheme (NDIS) will sustain demand for personal support workers, aged care providers, and community service professionals.

The future of services and care work

The emergence of AI and automation technologies is expected to enhance rather than replace roles in the Services sector. These advancements have the potential to improve work efficiency, reduce administrative burdens, and enhance the overall quality of service delivery.

For professionals in social support, NDIS, and aged care, AI-driven solutions will play a key role in transforming day-to-day operations:

- **AI-powered case management** → Automating administrative tasks such as documentation, client assessments, and reporting, allowing workers to spend more time on direct support.

- **Smarter rostering and workload balancing** → AI-driven scheduling can optimise shift allocation, reduce worker fatigue, and improve client service coverage.

- **Predictive analytics for client needs** → AI-powered data analysis can anticipate care requirements, helping workers provide more personalised and proactive support.

By integrating AI into service-based roles, workers can focus more on high-value, human-centred tasks, reducing burnout while improving the quality of care for vulnerable Australians. As demand for home-based services and high-skill contract work continues to grow, the Services industry will be at the forefront of Australia's evolving shift work landscape, driving employment growth well into the next decade.

The Future of Shift Work in Australia

As Australia enters 2025, the shift work economy is poised for transformation and recovery, following the disruptions caused by the cost-of-living crisis. While hiring slowed across industries in 2024, employment trends indicate that stabilisation and growth are imminent, driven by declining inflation declines and interest rate relief.

Gen Z has become the dominant workforce generation, overtaking Millennials in key sectors such as Healthcare, Services, and Hospitality. Meanwhile, Gen Alpha is just beginning to enter the shift work economy, with their presence expected to grow over the next three years. These generational shifts signal a shift for employers to adapt to evolving workplace expectations around flexibility, career progression, and job satisfaction.

Despite nominal wage increases in Retail, Healthcare, and Hospitality, rising inflation has eroded real wage growth, placing financial strain on shift workers. In response, poly-employment has become a common strategy for workers seeking to offset cost-of-living challenges.

Deputy's Shift Pulse data shows that wage growth is highly correlated with job satisfaction and retention. While some industries, such as Retail and Services, report higher levels of worker dissatisfaction, sentiment in Healthcare and Hospitality has shown signs of improvement, particularly as wages gradually increase. However, without sustained wage growth that keeps pace with inflation, industries may continue to struggle with high turnover rates and retention challenges.

One of the most notable trends shaping the shift work economy is the expansion of Australia's nighttime economy. Major cities—including Brisbane, Sydney, and Melbourne—have emerged as key drivers of late-night spending and employment, with Brisbane leading national growth in night shift hours. As consumers increasingly shift towards evening dining, entertainment, and retail, so will the demand for night shifts in the relevant sectors.

Adopting AI and automation technologies will play a critical role in shaping the future of shift work—not by replacing jobs but by enhancing productivity and improving job quality. AI-driven solutions in Healthcare, Services, and Hospitality will help reduce administrative burdens, optimise shift scheduling, and provide predictive analytics to enhance workforce planning. By integrating AI into shift work industries, businesses can improve efficiency while ensuring that human workers focus on high-value, customer-facing tasks. These technological advancements are expected to drive better work-life balance, reduce burnout, and support long-term job sustainability.

Looking ahead, 2025 presents a pivotal year for recovery and adaptation. While challenges remain—particularly in wage growth, job retention, and workforce satisfaction—several emerging opportunities, including the expansion of night-time economies, AI-enhanced work environments, and growing demand for care-related services, will help define the next phase of shift work employment.

Employers who embrace workforce flexibility, technological advancements, and new employment trends will be best positioned to navigate the evolving shift work landscape. By investing in wage equity, retention strategies, and AI-driven efficiencies, businesses can support both economic growth and worker well-being, ensuring that Australia's shift work economy remains resilient and future-ready.

Acknowledgements

deputy

**Improving the world of work,
one shift at a time**

#TheBigShift