How Workplace Culture Impacts AI-Sentiments of the Frontline Workforce

deputy

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Introduction

Australia's shift work industries continue to show strong resilience despite higher interest rates and ongoing cost-of-living pressures. These industries remain the backbone of everyday economic activity, supporting communities and powering much of Australia's service-led growth. However, the structure of frontline work is evolving due to AI, and with it, a number of evolving attitudes across the frontline workforce.

Australia's shift work industries remain the bedrock of the economy, but the structure of work is undergoing a fundamental transformation. As poly-employment hits a ten-year high, Deputy's 2026 Big Shift Report, analysing over 60 million shifts and 188 million hours worked, reveals a nation divided by the very technology intended to streamline it. While AI is increasingly being deployed to manage the complexity of a workforce in motion, a stark gap has emerged: 63% of vulnerable part-time poly-workers now resist AI at work, compared to just 37% of their stable counterparts.

This divergence has created two distinct classes of frontline workers: the poly-advantaged and the poly-resistant.

For the poly-advantaged, who are typically secure and full-time workers, AI is a tool of empowerment, helping them manage entrepreneurial side hustles and optimise their productivity. For the poly-resistant, who are largely Gen Z workers and now comprise 72% of the poly-employment workforce, they view AI with increasing anxiety. For this group, juggling multiple employers often means algorithmic scheduling with limited human oversight, unpredictable hours and shifts and financial insecurity.

As Gen Alpha enters the workforce, the pressure on Australian leaders is more immediate. The future of Australia's service-led growth will not be determined by AI adoption alone, but by the choices leaders make about how AI is deployed and used. The real opportunity with AI is not in replacing work, but strengthening it.

Used well, AI can give time back to the people who need it most. It can reduce administrative burden, improve decision-making, strengthen coordination across teams and give managers and workers more space to focus on customers, build skills and grow their businesses. This is about augmenting work in a way that creates more time for what matters and supports stronger, more resilient workplaces. That is the real opportunity ahead for Australia. To use AI to make shift work more secure, more predictable and more capable of supporting both people and the next chapter of economic growth.

Ciaran Hale
CTO, Deputy

Data analysis

The Big Shift 2026 was produced by the AI-powered platform for managing shift-based work, Deputy, utilising aggregated customer data. The report features an industry-focused data analysis of Australian shift workers across the hospitality, retail, healthcare, and services industry sectors.

Chief Economist at Geografia, Dr. Shashi Karunanethy, analysed 60,446,758 shifts and 188,010,610hours of 682,430 shift workers to produce the insights in this report.

Dr. Shashi Karunanethy
Chief Economist, Geografia

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

Industry sample sets will not add up to the overall number of shift workers due to data being analysed from other industries not called out in the report, churn, and other events that have occurred between Jan 2022 and Dec 2025.

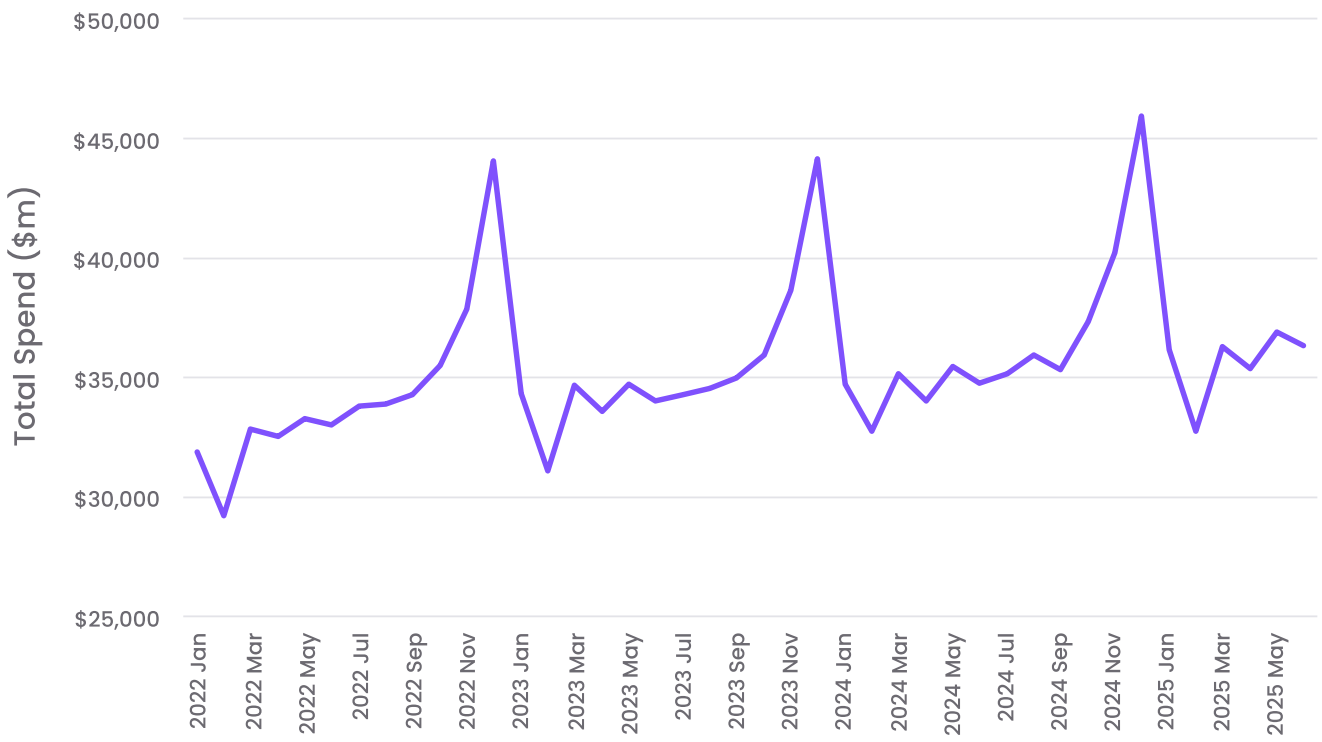
This data has been normalised to account for seasonality and demand of workforce fluctuations throughout the week (e.g. weekdays vs. weekends).

Shift work and consumer activity

Cost-of-living pressures have remained elevated across Australia in recent years. Despite this, household spending has proven more resilient than many economists initially expected. Between **2023** and **2025**, consumer activity has continued at levels above those seen before the pandemic, supported by strong employment, population growth, and the ongoing prioritisation of essential goods and everyday services.

National Retail Turnover

Source: ABS Retail Turnover, 2025



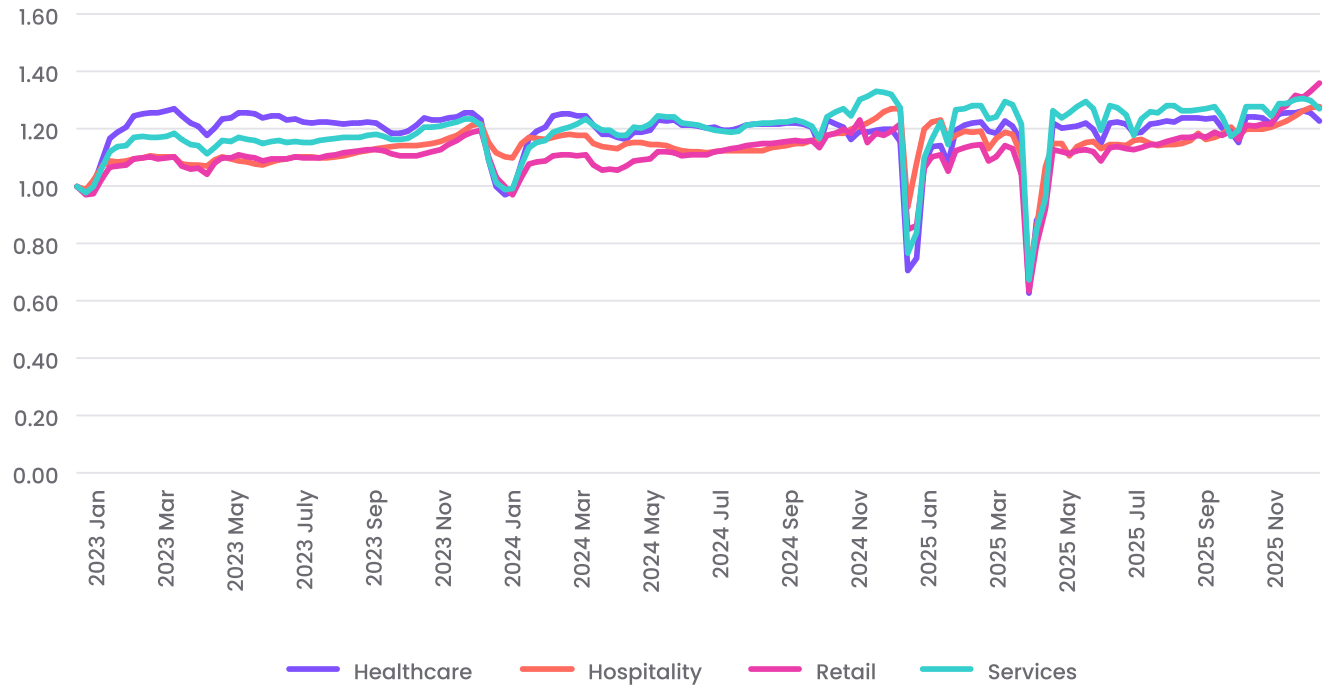
Retail turnover has remained consistently above pre-pandemic benchmarks. While spending growth has slowed compared with the surge that followed COVID-19 restrictions, overall consumption levels remain high. Seasonal peaks continue to appear during major retail events and holiday periods, with little evidence of a widespread collapse in demand.

This resilience reflects several structural factors within the Australian economy. Employment levels have remained strong, population growth has expanded the consumer base, and households have continued to prioritise essential services even as budgets tighten. As a result, demand for shift-based and frontline work has remained steady.

Across Australia's shift-work–intensive sectors including retail, hospitality, healthcare, and personal services, activity has continued to grow modestly through **2024** and **2025**. This growth has occurred despite elevated interest rates and ongoing cost-of-living pressures. In practice, this means that many businesses operating in these industries are still experiencing consistent customer demand, even while navigating higher operating costs.

Deputy Shift Work Index, All Industries

Source: Deputy, 2026



Retail has recorded the strongest and most sustained post-pandemic recovery. Activity across the sector has expanded steadily since COVID-19 disruptions, reaching its longest period of consistent growth in several years. This has occurred even as real household incomes have come under pressure, highlighting the strength of underlying consumer demand.

One reason for this continued spending is that consumer behaviour has proven difficult to fully suppress, even through successive monetary tightening cycles by the Reserve Bank of Australia. While households may be spending more cautiously, they have not stopped spending altogether. Instead, they have shifted how and where they spend.

Within hospitality, the industry experienced a short downturn in early **2025** before recovering throughout the remainder of the year. Activity has since expanded steadily, driven by strong demand for eating out, cafés, and quick-service dining.

The strongest growth has been recorded in fast food and café segments. These formats align with value-seeking behaviour among consumers who remain mindful of rising living costs but still prioritise affordable social and convenience experiences.

By contrast, sit-down restaurants and accommodation providers have experienced a more uneven recovery. Labour shortages, rising operating costs, and capacity constraints have limited the pace of expansion for many businesses in these segments.

Across hospitality more broadly, the challenge facing many operators is no longer a lack of demand. Instead, the constraint increasingly lies in workforce availability. Many businesses report that staffing shortages limit their ability to fully meet customer demand, particularly during peak trading periods.

Retail activity since **2022** has followed a similar pattern of uneven but resilient growth. Several subsectors continue to expand despite sustained cost-of-living pressures and higher interest rates.

Clothing, personal care, and lifestyle retail have been among the strongest performers. Much of this growth reflects a rebound in social activity and deferred consumption following the pandemic period, when many consumers postponed discretionary purchases.

Pharmacies and chemists have recorded steady structural growth. This trend is underpinned by population ageing, higher utilisation of healthcare services, and the essential nature of pharmaceutical products. Demand in this category tends to remain stable regardless of broader economic conditions.

Food and beverage retail has remained one of the most stable segments across the entire sector. As an essential category, it acts as a baseline level of demand even when discretionary spending fluctuates.

Taken together, the overall performance of the retail sector suggests that consumer demand has softened but not collapsed. For the workforce, this reinforces the role of retail as a core source of employment for shift workers rather than a sector that rises and falls dramatically with economic cycles.

Healthcare activity has also shown sustained growth since **2022**, outperforming many other shift work industries. Even as financial conditions tightened, demand for healthcare services has remained strong.

Outpatient care centres and primary care services have been the strongest drivers of this growth. A key trend shaping the sector is the continued shift away from inpatient hospital care toward community-based treatment and preventative services.

Childcare and community-based care services have also expanded steadily. These sectors are increasingly linked with broader workforce participation, enabling parents and caregivers to remain active in the labour market.

Hospital activity has grown more slowly compared with other healthcare subsectors. This weaker growth does not reflect a reduction in underlying demand, but rather the impact of system pressure, staffing shortages, and capacity constraints within the hospital system.

Overall, healthcare represents one of the most consistent growth sectors for shift-based work. However, the industry is increasingly constrained by workforce availability. Labour shortages, burnout, and the pressures faced by workers who themselves carry caregiving responsibilities are shaping how quickly the sector can expand.

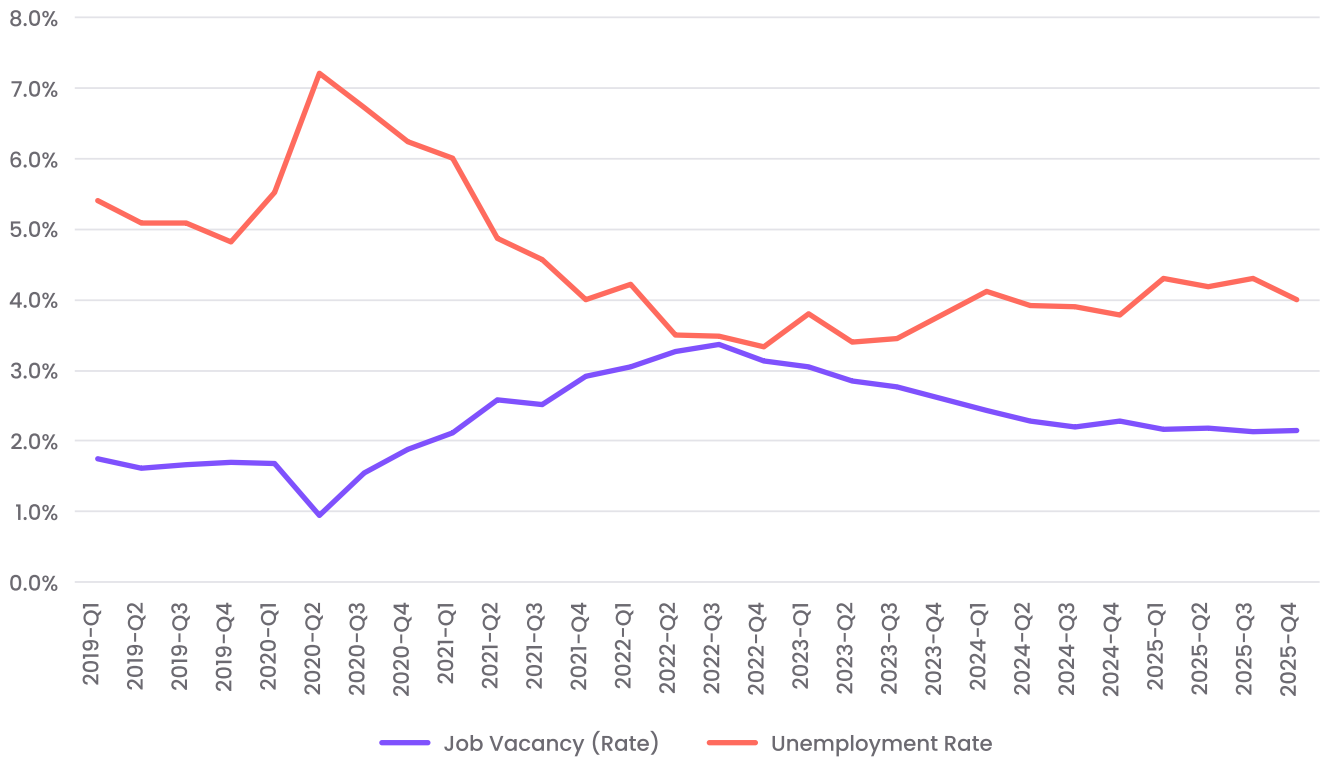
For employers, policymakers, and industry leaders, these trends point to a common theme across multiple sectors. Consumer demand for essential services remains strong, but the ability of businesses to meet that demand increasingly depends on the availability, wellbeing, and stability of the shift-based workforce that powers these industries.

Inflation, labour markets and household pressure

Consumer spending has remained resilient despite ongoing cost-of-living pressures, particularly across retail, hospitality and healthcare. This continued activity indicates that inflationary pressure has been driven more by sustained demand than by any collapse in consumer spending.

Unemployment and Job Vacancy Rate

Source: ABS, 2026



Households have continued to spend across essential goods, services, and everyday experiences. As a result, demand across many shift work and frontline sectors has remained steady even as broader economic conditions have tightened.

At the same time, labour markets have remained tight. Strong employment across industries such as healthcare, retail and hospitality has supported ongoing wage growth, particularly in sectors that rely heavily on shift-based and frontline workers.

This combination of resilient consumer spending and tight labour markets has complicated the inflation outlook. Persistent demand has slowed the pace of disinflation, with spending across essentials, services and experience-based sectors proving difficult to suppress even during successive monetary tightening cycles by the Reserve Bank of Australia.

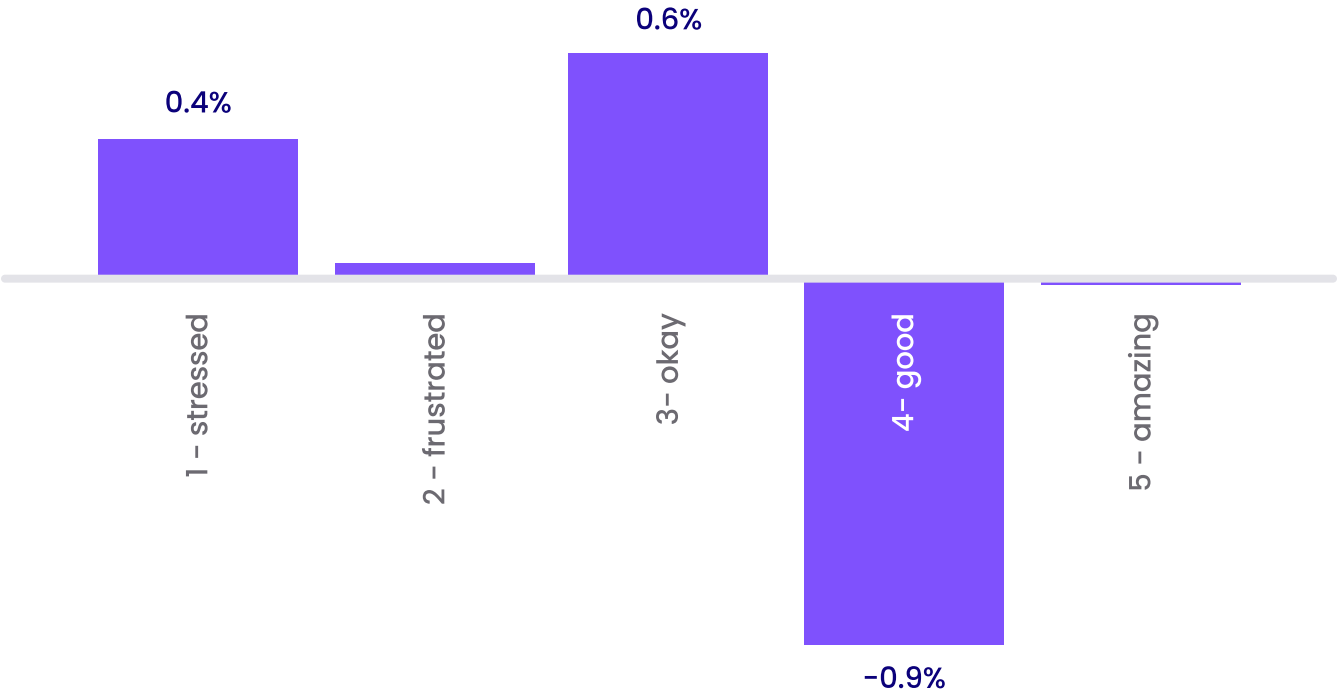
Labour market strength has also reinforced price pressure. Continued employment growth across shift work sectors has sustained wage growth, limiting the speed at which inflationary pressures ease.

As a result, the Reserve Bank of Australia has maintained a restrictive policy stance for longer than initially anticipated. Current rate settings reflect concern that easing too early could entrench inflation rather than signal underlying economic weakness.

While employment remains strong, households are increasingly absorbing the adjustment. Mortgage holders, renters and families are facing higher repayments and reduced discretionary income as borrowing costs remain elevated.

Change in Shift Worker Sentiment — February 2nd RBA Announcement

Source: Deputy Shift Pulse, 2025, comparing Weds, 3 Feb 2026 (1 day post RBA announcement) and one week prior



Shift Pulse data following the most recent RBA announcement shows a modest shift in worker sentiment. The share of shift workers reporting they feel "good" declined by **0.9%**, while the share reporting they feel "okay" increased by **0.6%**.

There was also a marginal increase in the share of workers reporting they feel "stressed," rising by **0.4%**. These movements suggest that financial pressure remains present for many households.

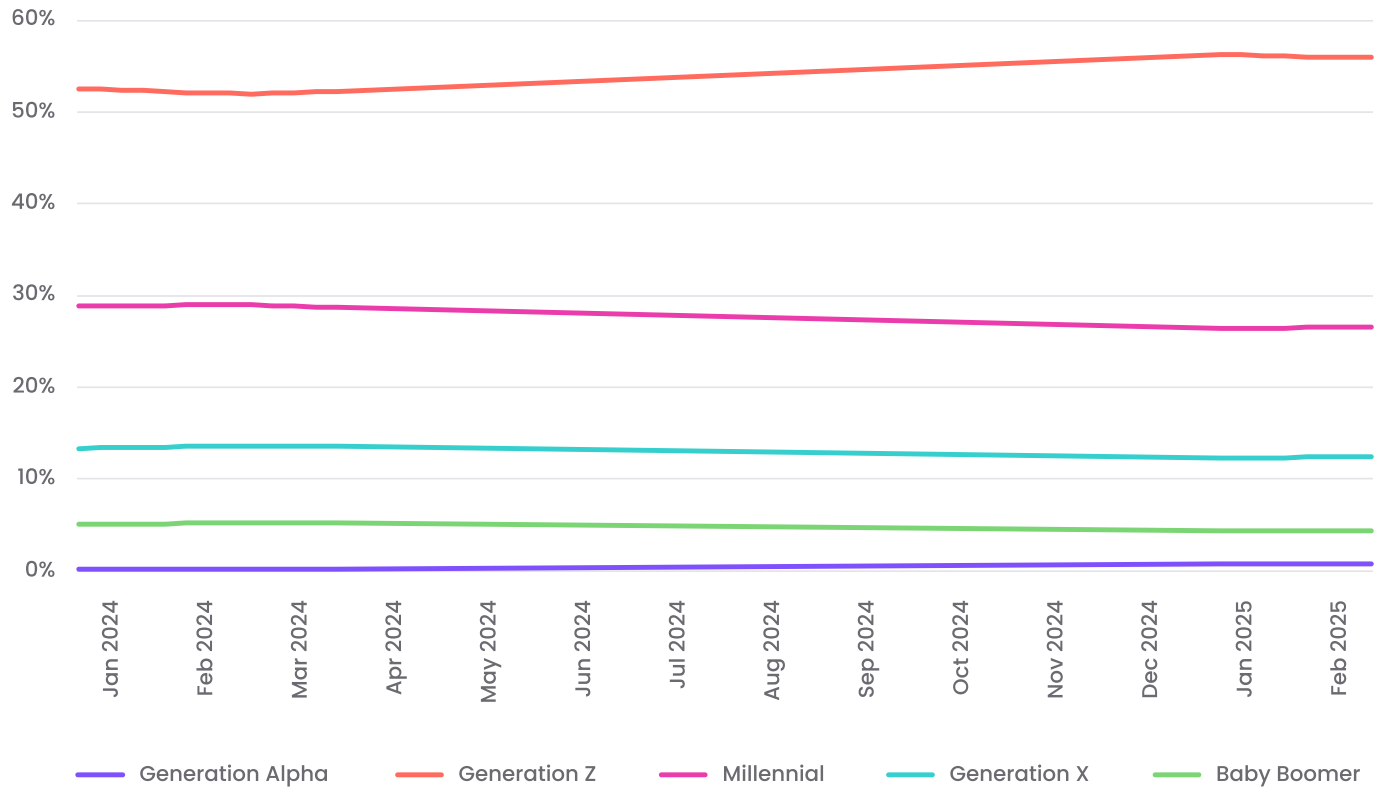
Overall, the data indicates that monetary tightening is influencing sentiment and expectations among shift workers, highlighting that interest rate changes are affecting frontline workers in real time.

Generational shifts in the frontline workforce

Gen Z has now become the dominant generation in Australia's shift workforce, representing **41%** of all shift workers. Millennials follow closely behind, accounting for **40%** of workers and remaining strongly represented in managerial and supervisory roles across many shift-based industries.

Share of Shift Workers by Generation, 2024-2025

Source: Deputy, 2025

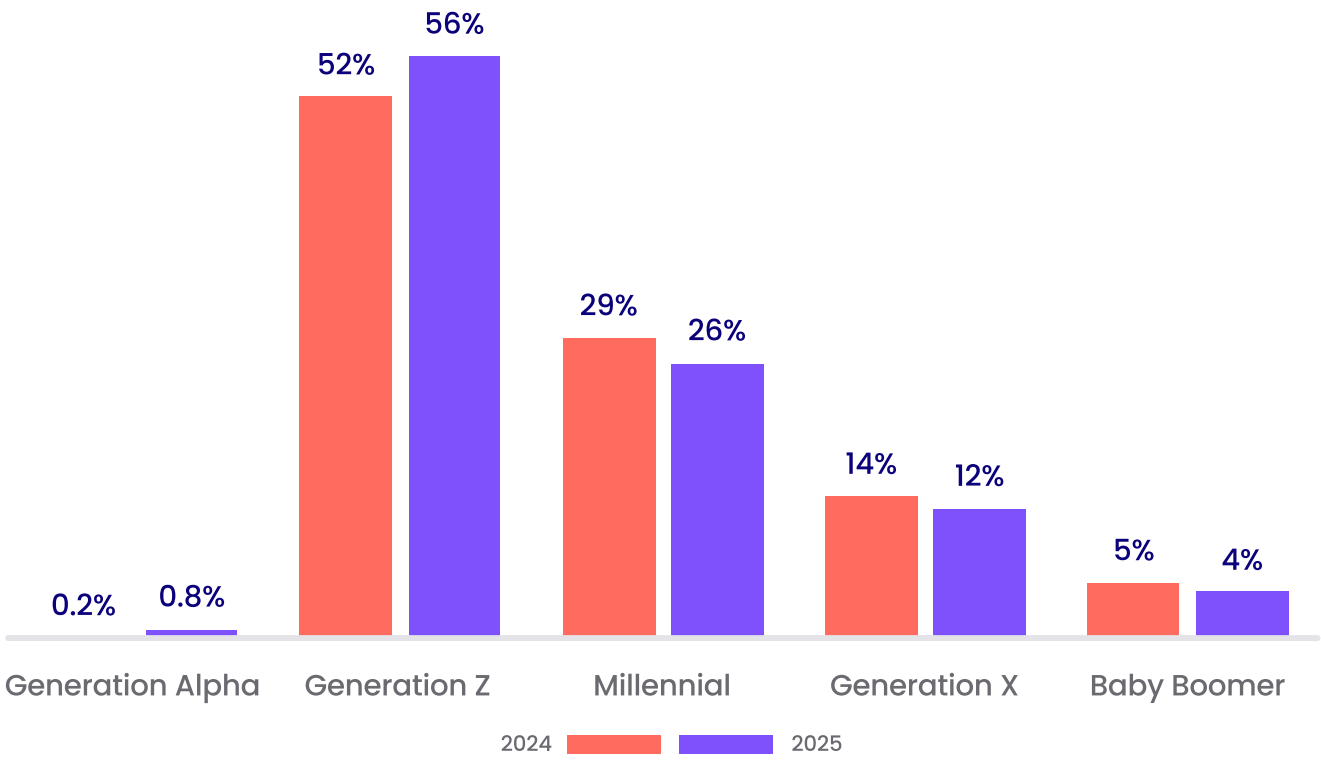


At the same time, older generations continue to decline in participation as part of a longer-term demographic shift. Both Gen X and Baby Boomers are steadily exiting the labour force, contributing to a gradual generational transition within shift-based industries.

Gen Alpha currently represents less than **0.5%** of the shift workforce. While still small in absolute terms, this generation is expected to grow rapidly over the coming decades. Projections suggest that by **2045**, Gen Alpha could surpass Gen Z as the largest generation in the shift workforce. As their numbers grow, their preferences, work habits and expectations will increasingly influence how shift-based work is structured.

Share of Shift Work by Generations, 2024-2025

Source: Deputy, 2025



Millennials are also transitioning into more senior positions across many industries. As a result, their presence in frontline shift roles has begun to decline relative to Gen Z. Within the active shift workforce, Millennials now represent **26%**, while Gen Z accounts for **56%**.

Participation among older generations continues to fall. Gen X now represents **12%** of the shift workforce, while Baby Boomers account for **4%**. These trends reinforce the ongoing generational turnover occurring across shift-based industries.

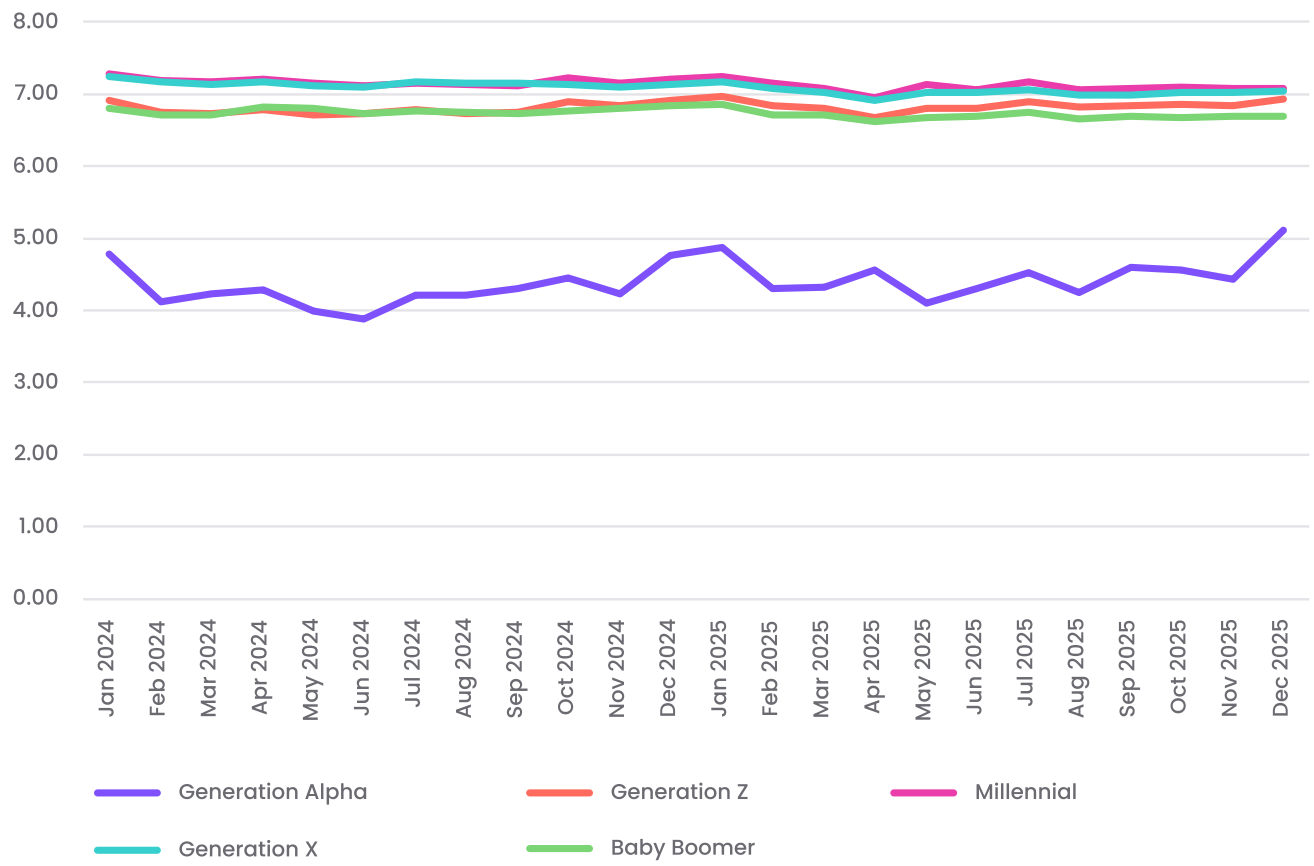
Despite its small size, Gen Alpha began to emerge more visibly in the workforce during **2025** and now represents **0.8%** of shift workers. As this generation continues to enter the labour market, it is expected to influence new working patterns and employment preferences.

By **2045**, Gen Alpha is projected to surpass Gen Z as the largest generation participating in shift-based work. Early data suggests that this generation is already associated with changing patterns of employment, particularly the emergence of micro-shift work.

Deputy data shows increasing levels of micro-shift employment across a range of occupations. Generation Alpha currently records the shortest average shift lengths, suggesting early adoption of this model. Baby Boomers and Gen Z also show relatively shorter average shift lengths compared with other groups.

Average Shift Length by Generation

Source: Deputy, 2025



The growing presence of poly-workers, who take on multiple roles across different workplaces or schedules, reinforces the demand for flexible and shorter shift structures. Micro-shifts provide a way for workers to balance multiple commitments while still participating in the workforce.

For Gen Alpha, average shift lengths continue to decline as many enter the workforce while completing post-high school education or higher education. Shorter, more flexible shifts allow these workers to combine study and employment.

Among Gen Z and Baby Boomers, shorter shifts are also increasingly linked to caregiving responsibilities. Young parents and grandparents may be unable to commit to longer or fixed working hours, leading them to participate in more flexible micro-shift work arrangements.

Together, these trends highlight how generational change is reshaping the structure of shift-based work, with flexibility, shorter shifts and multi-role employment becoming increasingly common.

Gender balance shifts across frontline industries

Gender balance across Australia's shift workforce continues to shift in different ways across industries, reflecting sector-specific changes in employment demand, technology adoption and workforce structure.

Hospitality recorded the largest shift in gender balance in **2025**, with the female share of shift hours declining by **-0.4%**. This suggests a small but noticeable change in workforce composition within the sector.

Across several other industries, however, the female share of shift work increased. The most significant increase occurred in healthcare, where the share of female workers rose by **2.8%** in **2025**. This reflects continued growth in healthcare services and the strong participation of women across many roles in the sector.

The largest declines in female participation were concentrated in Employment Services and Call Centres. These sectors are traditionally associated with administrative and support-heavy roles, and the decline suggests a material shift away from these types of shift-based positions.

Smaller but consistent declines were also observed across Fast Food and Cashier Restaurants as well as Cafes and Coffee Shops. These changes point to ongoing churn within frontline service work, where workforce composition is regularly reshaped by hiring cycles, turnover and changing operational models.

Technology adoption is also influencing these patterns. In fast food and café environments, the increased use of self-ordering counters has reduced labour needs in some customer-facing roles, shifting how workplaces are staffed.

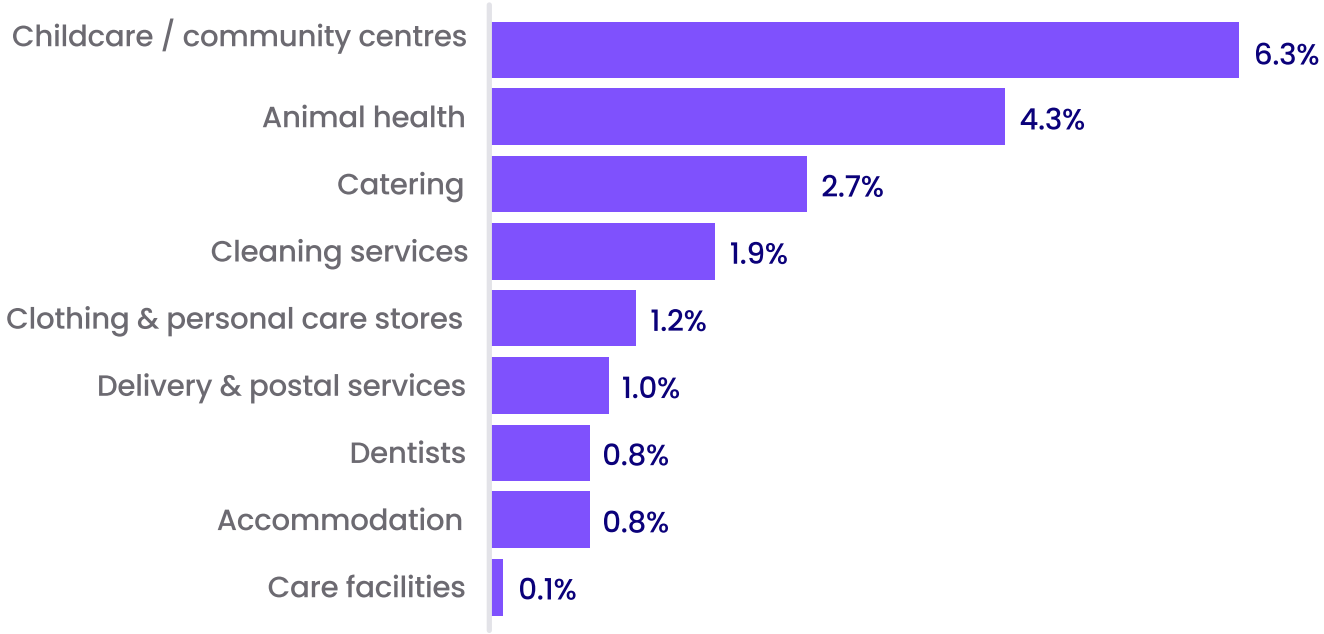
Education and Doctors' Offices and Medical Clinics recorded modest declines in female share. These movements appear to reflect gradual workforce rebalancing rather than a broader contraction within the sectors.

Overall, the pattern across industries is not uniform. The largest declines are concentrated in sectors exposed to automation, tighter operating budgets or more volatile demand, rather than reflecting a broad shift across the entire shift work economy.

At the same time, several sectors recorded increases in female participation. Childcare and Community Centres saw the strongest gains, consistent with sustained demand for care services and ongoing workforce expansion in community-based support roles.

% Change in Share of Sector Workers by Gender, 2025

Source: Deputy, 2025



Animal Health also recorded strong gains, reinforcing growth in household and wellbeing-related services that depend on rostered, in-person labour.

Mid-level gains in Catering and Cleaning Services point to steady demand across support services that sit behind hospitality, events and commercial operations.

Smaller increases were also recorded across Delivery and Postal Services, Clothing and Personal Care Stores, Dentists and Accommodation. These gains reflect modest but broad-based growth across local, customer-facing services that rely on regular shift patterns.

Despite these changes in workforce participation, gender pay gaps remain present across all industries. The widest gap is observed in healthcare, where female workers earn an average of **$39.40** per hour compared with **$45.50** per hour for male workers, a difference of **13%**.

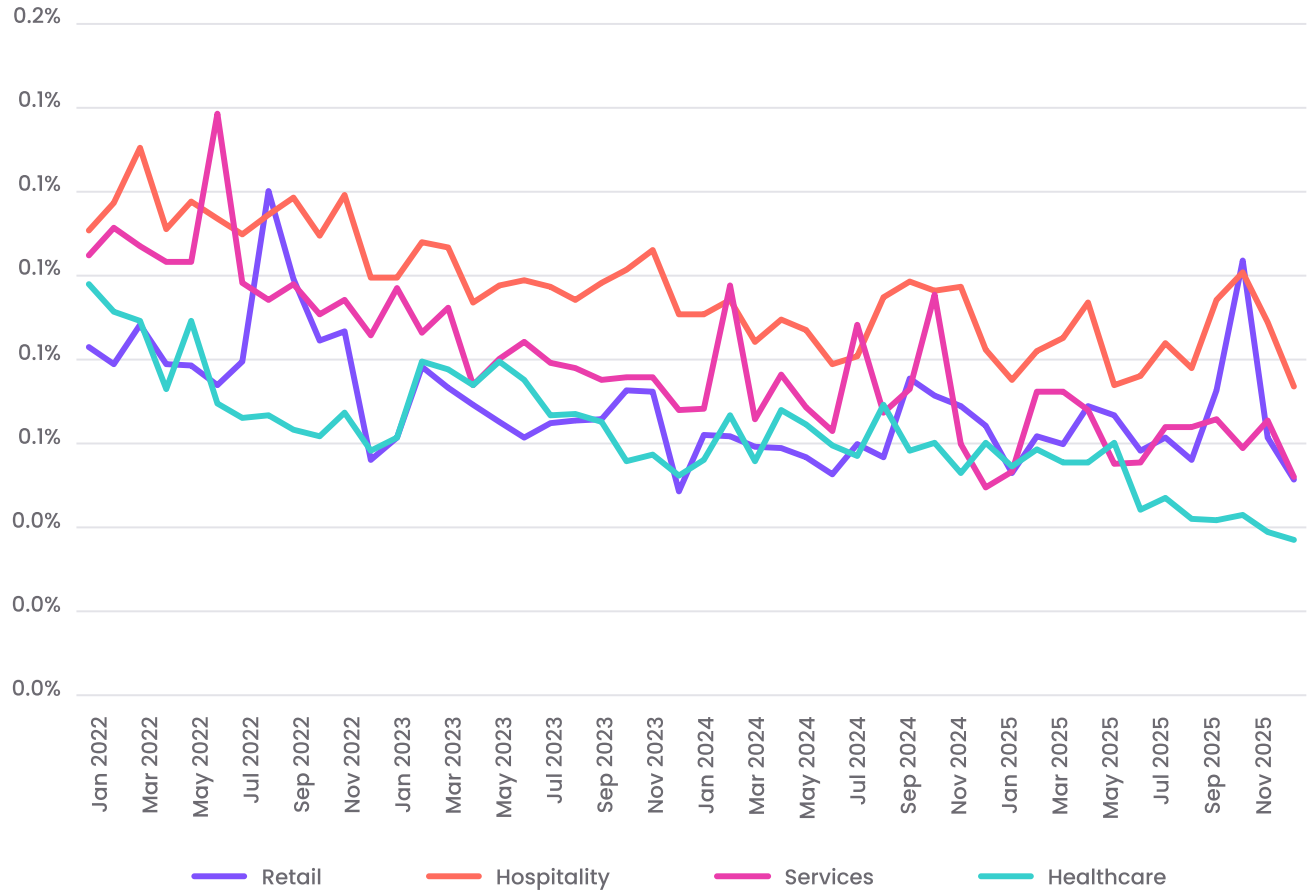
These pay gaps are influenced by several structural factors. Occupational separation continues to play a role, with senior and managerial roles more heavily represented by men. Because these roles typically command higher wages, they raise the overall average earnings for male workers compared with female shift workers.

Hiring trends and labour market conditions

Hiring demand has begun to soften across healthcare and retail as businesses adopt a more cautious approach to workforce expansion.

This easing in hiring activity does not necessarily signal a collapse in underlying demand. Many service industries continue to experience relatively resilient customer demand.

Source: Deputy, 2025



Instead, the data suggests that many firms may be reaching the limits of the available labour market after an extended period of labour shortages, high staff turnover and rising wage costs.

In response, businesses appear to be adjusting their operating models. Rather than expanding headcount, many organisations are tightening rosters, slowing new hires, and increasingly relying on automation or task reallocation to maintain operations.

This shift reflects a broader change in strategy, moving from a model of “hire to grow” toward one focused on “optimise to grow,” even in the absence of a broader economic downturn.

Despite slower hiring, layoffs and termination rates remain broadly stable across shift work industries. There is no evidence of a widespread cycle of job losses.

This stability reinforces that the labour market remains tight rather than signalling a rise in unemployment or widespread separations.

Within healthcare, termination rates have actually declined. This pattern points to acute labour shortages and strong retention pressure rather than workforce contraction.

Even as hiring slows in healthcare, the fall in terminations suggests that the availability of suitably skilled workers remains limited. This constrains both workforce exits and the pace of new recruitment.

Overall, Deputy data continues to confirm that labour supply remains tight across key shift work industries.

At the same time, worker sentiment has improved through **2025**. Among shift workers, there are signs that pressure associated with the cost-of-living crisis has begun to ease.

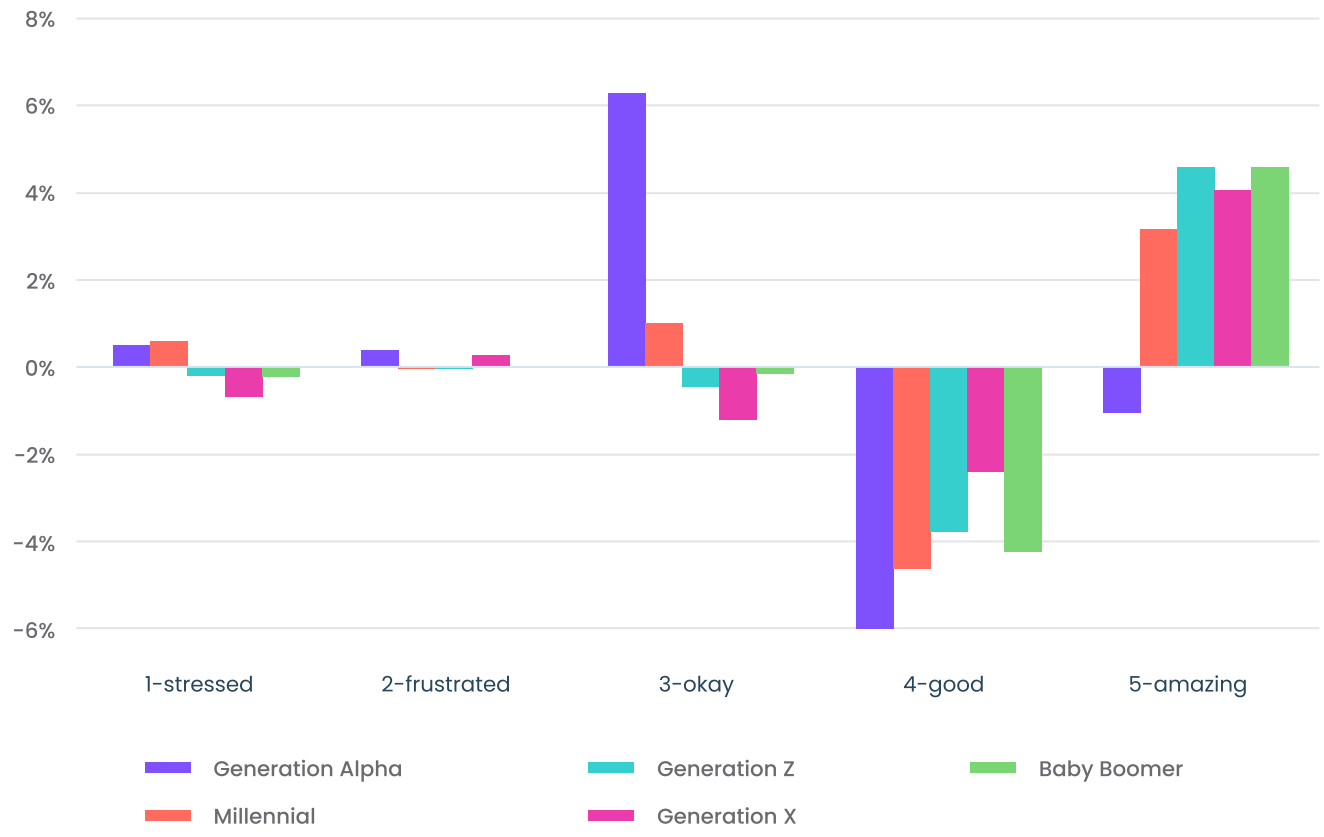
Across shift work industries, there has been a clear movement away from workers reporting they feel “stressed” or “frustrated,” with more workers reporting neutral or positive sentiment.

This trend suggests that the most acute phase of the cost-of-living shock may have passed for many working-age cohorts participating in shift work.

Generational sentiments

Change in Deputy Shift Pulse Sentiment, Generation

Source: Deputy, 2025



Work sentiment improved across most generations in **2025**. From Gen Z through to Baby Boomers, shift workers reported similar increases in positive sentiment, aligning with broader improvements observed across multiple industries.

These gains suggest that conditions for many workers have stabilised after a period of economic pressure. As industry activity strengthened and labour markets remained tight, sentiment among most generations moved toward more positive outlooks.

Gen Alpha presents a different pattern. In contrast to older cohorts, Gen Alpha shift workers report rising levels of stress and weaker overall sentiment. This divergence stands out at a time when sentiment among other generations is improving, making Gen Alpha an outlier within the shift workforce.

Several factors may be contributing to this trend. Many Gen Alpha workers are currently navigating transition pressures associated with entering adulthood and the workforce. These include entry into higher education, insecure work arrangements, rising rental costs and increasing financial independence.

Another potential factor is early exposure to new forms of workplace management and technology. Gen Alpha workers are entering industries where algorithmic management are already embedded in daily operations.

Unlike older generations, Gen Alpha is encountering labour-replacing AI before long-term job security and established skills pathways have been formed.

At present, Gen Alpha workers are concentrated in a relatively small number of entry-level service sectors. The highest representation is found in fast food, food and beverage roles, and retail positions including supermarkets and quick-service outlets.

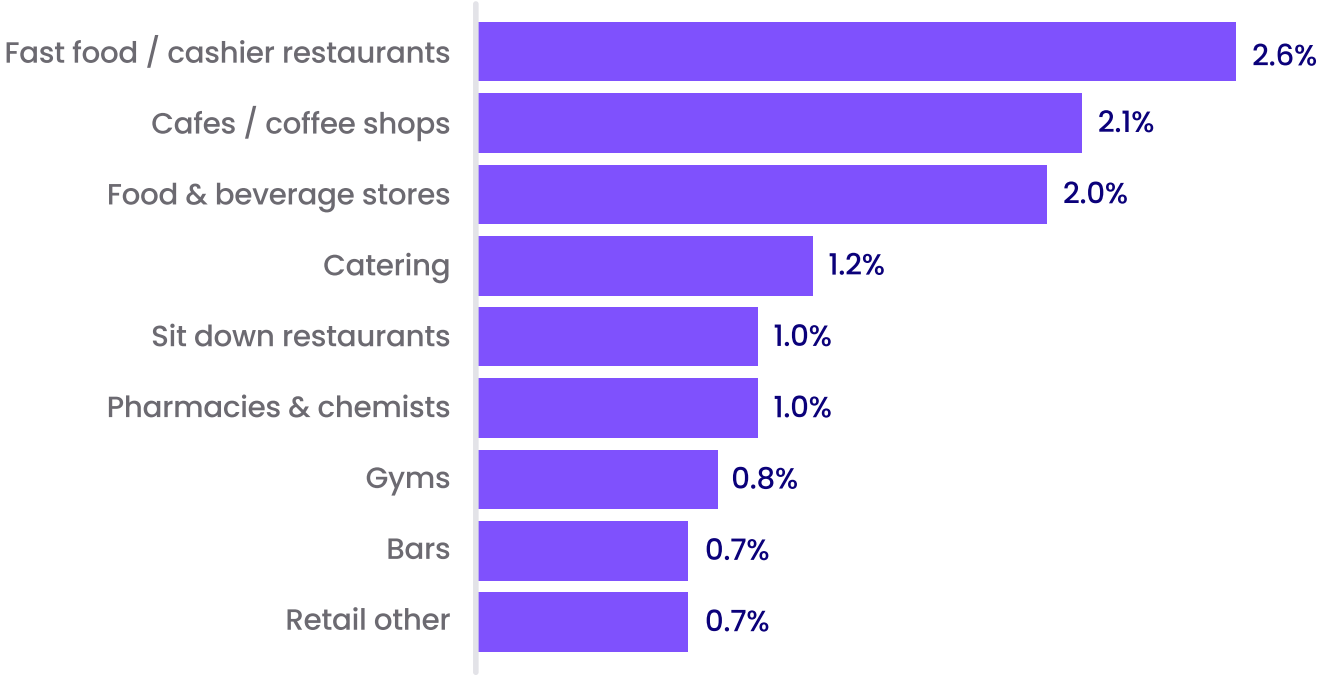
These industries are also among the earliest adopters of labour-automating technologies. Self-service ordering systems, automated checkout processes and algorithmic scheduling tools are becoming increasingly common across these sectors.

As a result, Gen Alpha is entering the workforce at a time when automation and AI are already present in many frontline roles.

This makes Gen Alpha the first cohort to experience AI and automation as a baseline feature of work rather than a transition that occurs later in a career.

Gen Alpha, Share of Shift Workforce, 2025 — Top Sectors

Source: Deputy, 2025

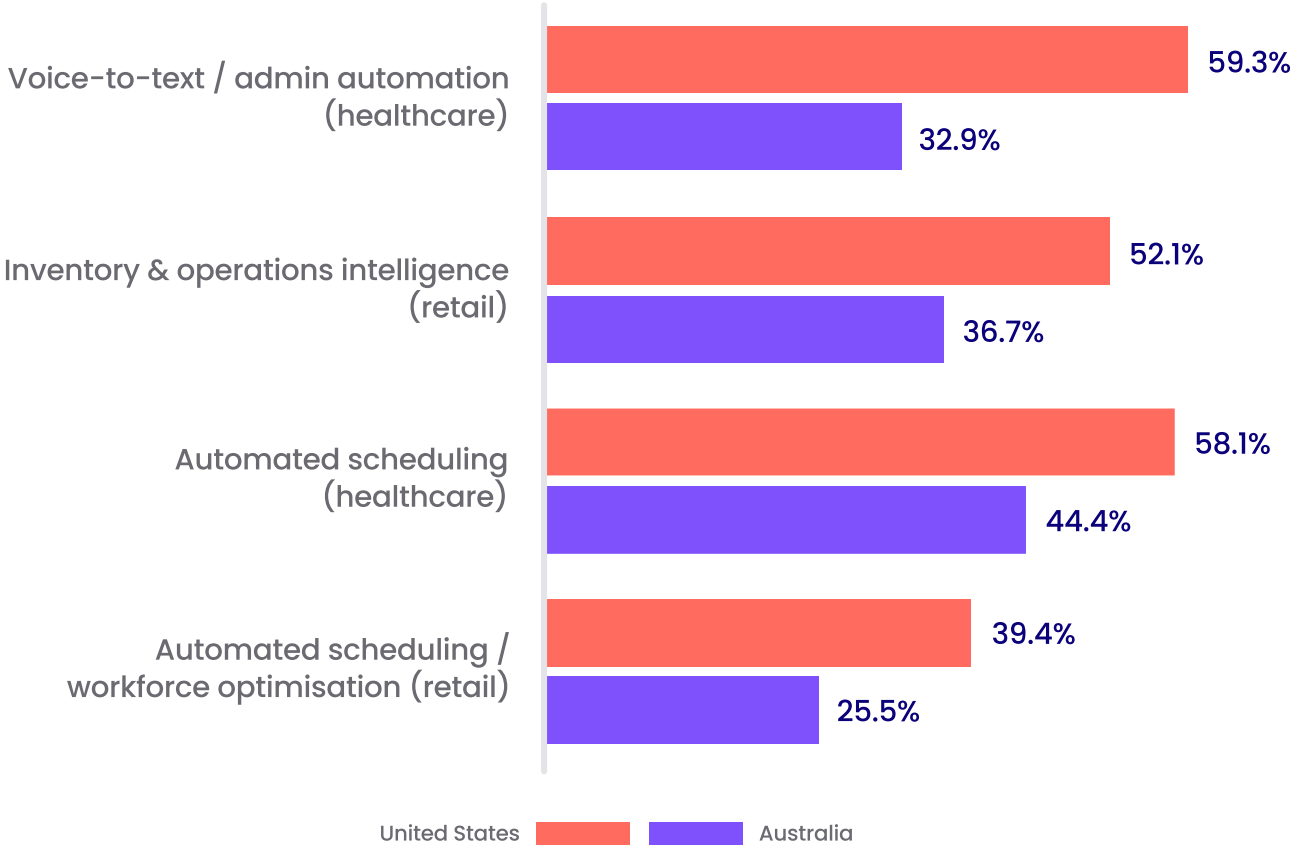


AI adoption and productivity in shift-based industries

Australia currently trails the United States across every major category of productivity-enhancing AI adoption.

Productivity-enhancing AI tools

Source: Deputy 2025 Global Study

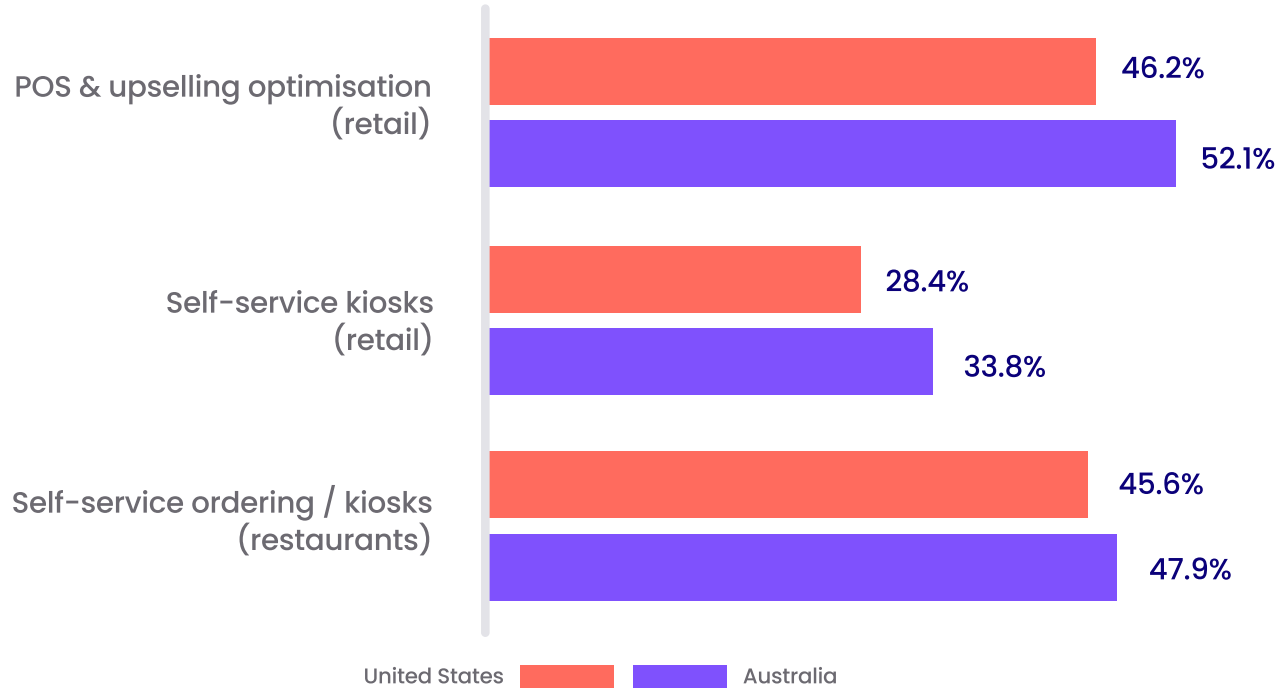


Productivity-enhancing AI refers to tools designed to reduce administrative burden, improve forecasting and coordination, and increase output per worker. These technologies support workers in performing their roles more efficiently rather than replacing labour.

Examples include automated scheduling systems, inventory and operations intelligence platforms, and voice-to-text or administrative automation tools that reduce manual paperwork and coordination tasks.

Adoption of Labour-replacing AI Tools

Source: Deputy 2025 Global Study



The gap between Australia and the United States is most pronounced in healthcare administration automation and retail workforce optimisation. These are precisely the types of tools most closely associated with time savings, improved output and higher worker satisfaction.

At the same time, Australian shift workers report higher exposure to self-service and automated checkout technologies than workers in the United States across retail and restaurant settings.

These technologies fall into a different category: labour-replacing AI.

Labour-replacing AI refers to systems that substitute for frontline labour, reduce staffing requirements per transaction, or shift parts of the service process directly to the customer.

Common examples include self-service ordering kiosks, automated checkout systems and point-of-sale driven upselling tools. These technologies are typically concentrated in customer-facing environments where they can reduce labour requirements at the point of service.

Australia's relatively high adoption of these systems may reflect several factors, including labour shortages and rising operating costs.

However, labour scarcity and cost pressures are not unique to Australia and are shared across many advanced economies. A more structural factor may lie in the composition of Australia's retail sector.

While Australia's overall economy is not unusually concentrated, the retail sector, particularly supermarkets, is significantly more concentrated than in many other countries. Approximately **90%** of supermarket market share is held by four firms, with nearly **70%** controlled by two. This level of concentration is substantially higher than the global range of roughly **40%** to **60%**.

In highly concentrated markets, competitive pressure to invest in productivity-enhancing innovation tends to be weaker. Firms may instead protect margins through cost control rather than competing directly on productivity improvements.

Research from the Grattan Institute in **2017** found that profits are persistently higher in sectors with strong barriers to entry, including supermarkets. This suggests there may be less pressure for companies to pursue productivity improvements through innovation.

Within this environment, AI adoption can become skewed toward labour-replacing technologies such as self-checkout systems, kiosks and point-of-sale optimisation tools that reduce staffing requirements per transaction.

By contrast, labour-complementary tools that focus on increasing worker productivity may receive less investment.

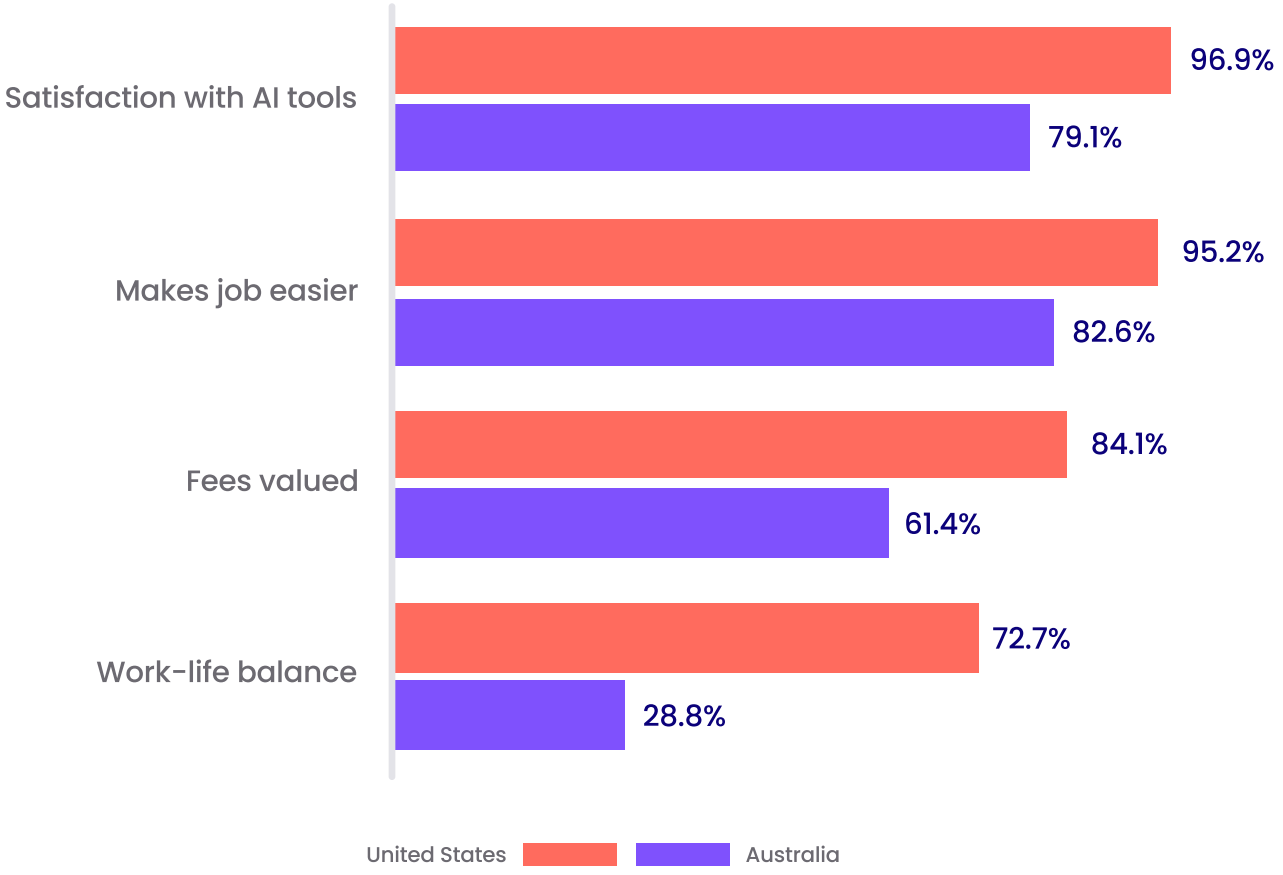
This dynamic helps explain why Australia shows higher adoption of labour-replacing AI compared with the United States, even though both countries face similar labour shortages and cost pressures.

Shift worker sentiment toward AI

Shift workers in Australia and the United States generally report positive sentiment toward the use of AI in the workplace. Many workers associate AI with improvements in job ease, overall satisfaction and work-life balance.

Shift Worker Experience of AI – Australia vs. US

Source: Deputy 2025 Global Study



However, Australian workers consistently report smaller gains across these outcomes compared with their counterparts in the United States.

This gap aligns with differences in how AI is deployed across workplaces. In Australia, there is greater reliance on labour-replacing AI tools rather than productivity-enhancing or labour-complementary applications.

Where AI is primarily used to substitute labour, improvements in productivity and worker experience appear more limited. By contrast, higher adoption of productivity-enhancing AI in the United States is associated with stronger gains in worker satisfaction, perceived value and work-life balance.

Beyond the role of market competition, regulation has played a limited role in steering organisations toward productivity-enhancing, rather than labour-replacing AI tools.

In response, a different approach to AI deployment is beginning to emerge. This model focuses on using AI to complement, augment and support workers rather than substitute for them.

The shift reflects growing recognition that the strongest productivity gains occur when AI improves decision-making, coordination and task quality, rather than simply reducing labour costs.

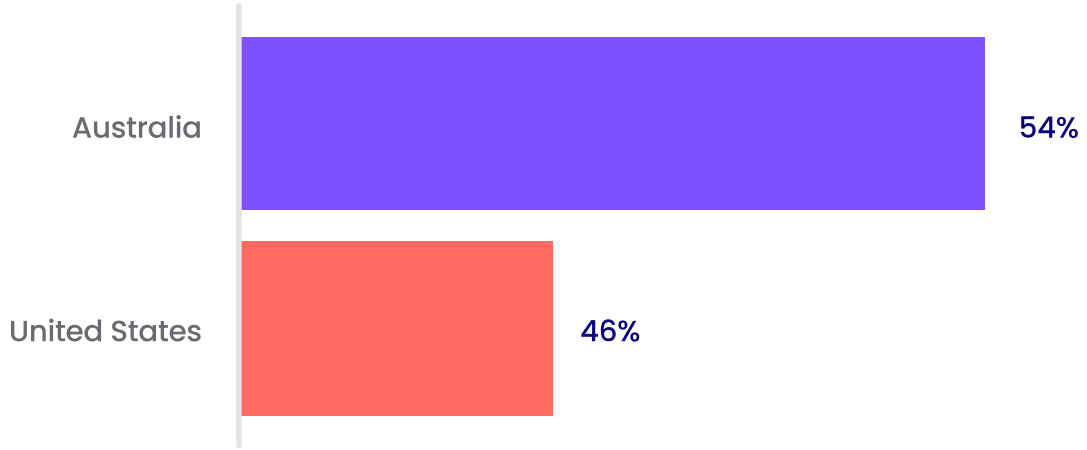
Both internationally and within Australia, organisations, researchers and institutions are increasingly exploring human-centred approaches to AI deployment.

One example is BehavAI at the University of Melbourne, a research lab established in **2025**. The initiative focuses on understanding how AI can enhance human judgement, improve work design and support performance rather than automate roles away.

Expanding these approaches offers a pathway to increase productivity while also reducing worker anxiety and resistance toward new technologies.

Share of Shiftworkers Who Want More AI Support

Source: Deputy 2025 Global Study



Despite reporting higher anxiety and lower satisfaction outcomes, Australian shift workers are not opposed to AI itself. In fact, many workers express interest in having greater access to supportive AI tools.

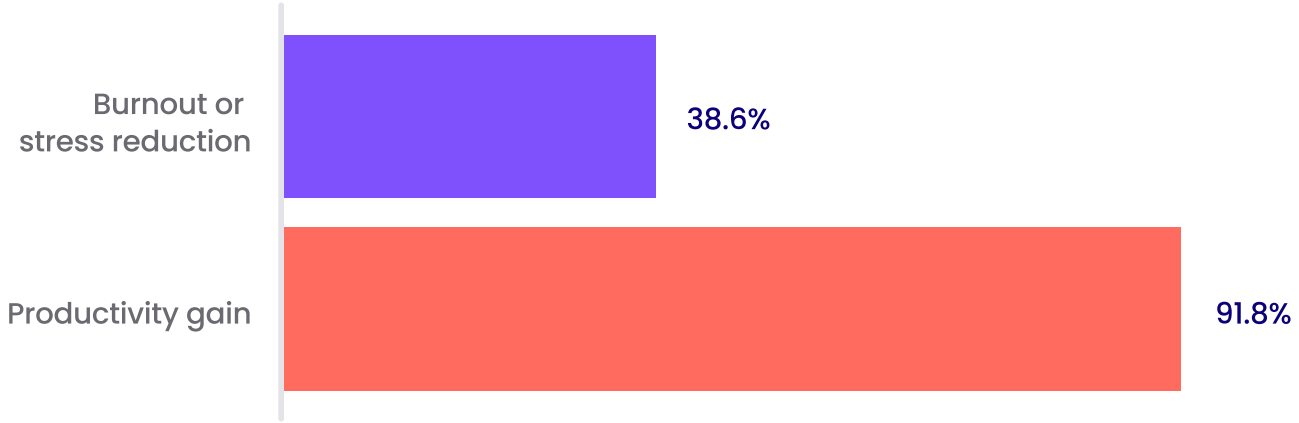
Across Australia, **54%** of shift workers say they want more AI support at work, compared with **46%** of workers in the United States.

This suggests there is unmet demand for AI that helps workers perform their jobs more effectively rather than technologies designed primarily to reduce headcount or shift work to customers.

The gap between Australia and the United States therefore reflects differences not in worker attitudes, but in how AI is implemented and supported in workplaces.

Better-designed AI systems that enhance productivity and complement labour represent a clear opportunity to improve both operational performance and worker experience.

While AI has demonstrated strong productivity benefits, its impact on worker wellbeing appears more limited. Many workers report improvements in efficiency and output, but fewer report reductions in stress or burnout.

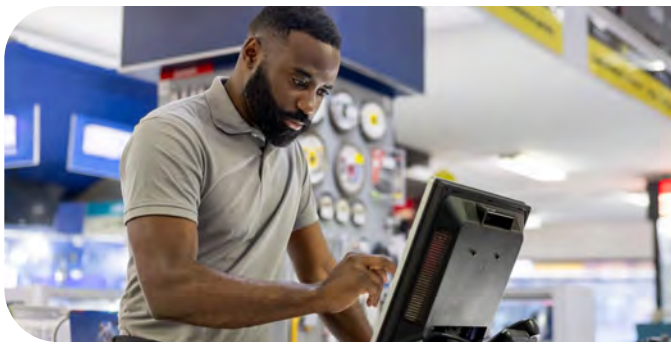


Source: Deputy 2025 Global Study

This suggests that organisational culture, management practices and job design remain the primary drivers of workplace quality.

Technology can improve how work is performed, but management ultimately shapes how work feels. AI can increase productivity and output, but leadership and workplace culture continue to determine levels of positivity and wellbeing.

Even as workers recognise the benefits of AI, concerns remain present and are more pronounced in Australia.



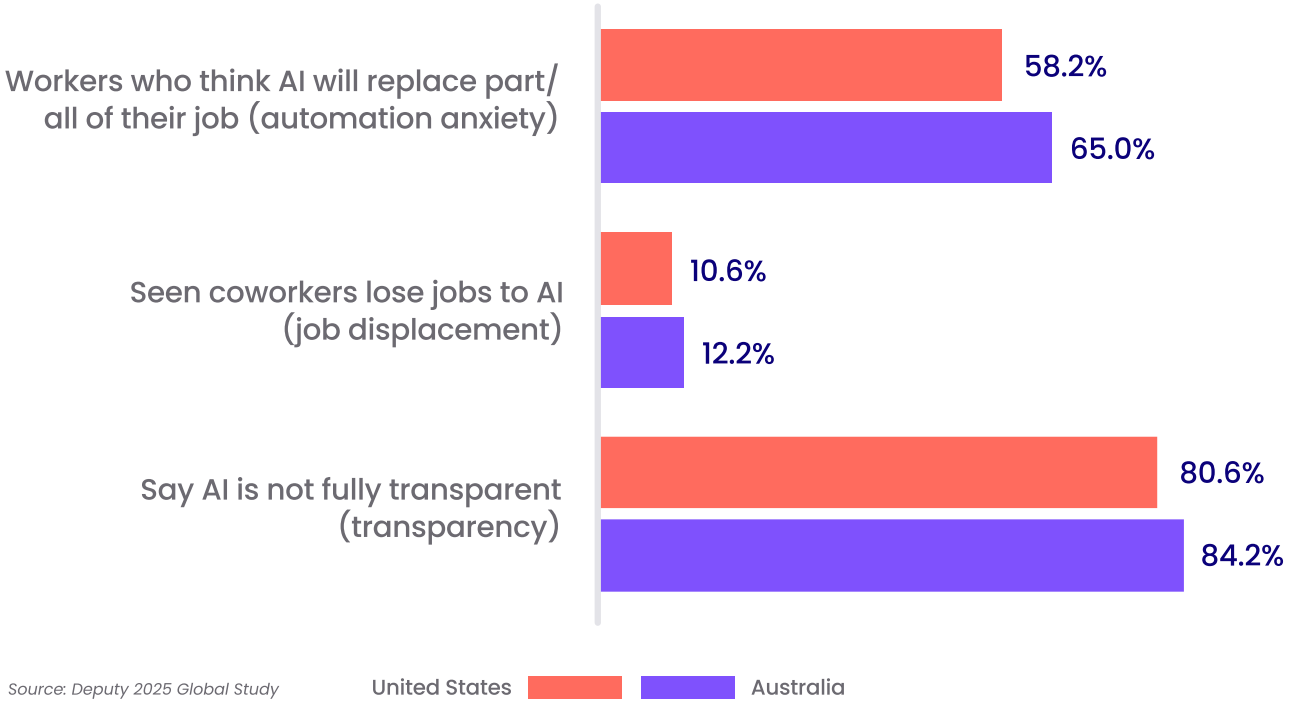
A larger share of Australian shift workers believe AI will replace part or all of their role, indicating higher levels of automation anxiety compared with workers in the United States.

Australian workers are also more likely to report having seen co-workers lose jobs due to AI automation.

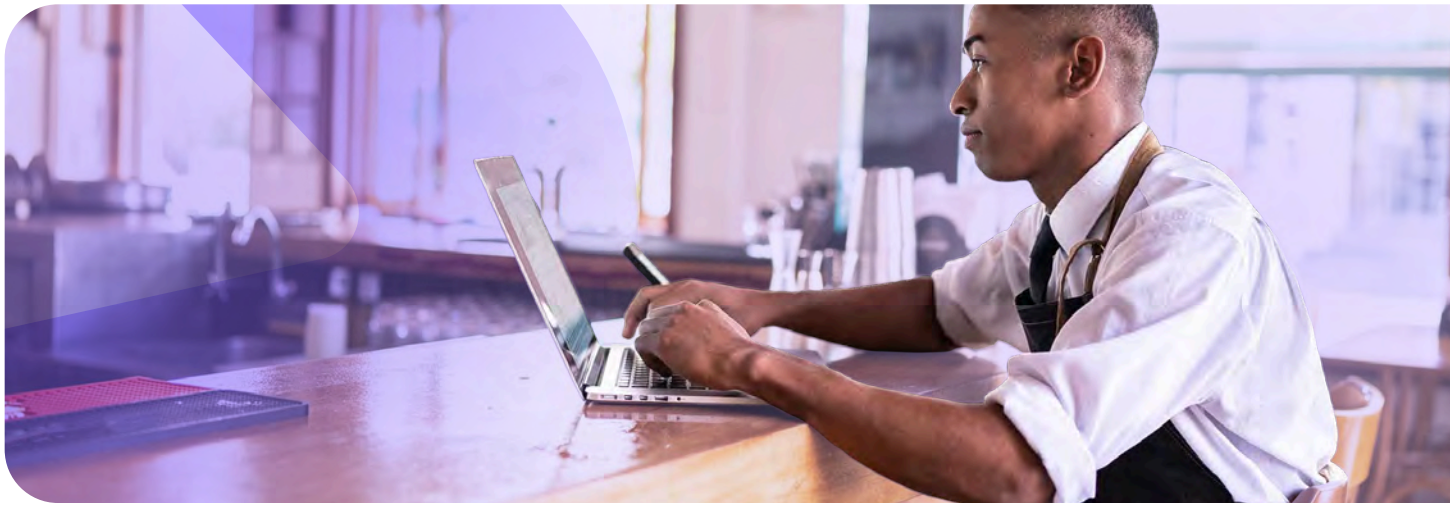
In addition, Australian workers report lower levels of transparency around how and why AI tools are introduced into their workplaces.

These perceptions are consistent with Australia's heavier exposure to labour-replacing AI technologies rather than productivity-enhancing or labour-complementary tools.

When AI is experienced primarily as a substitute for labour without clear productivity or job-quality benefits, worker anxiety and mistrust tend to be higher.



Source: Deputy 2025 Global Study



AI transparency, trust and workplace boundaries

Shift workers broadly support the use of AI when it improves how work is performed. However, workers also want clear boundaries around how it is used, including transparency about where and how these technologies are applied in the workplace.

Many workers report that their employers are not fully transparent about how AI tools are used or why particular systems are introduced. This lack of clarity contributes to uncertainty about the role AI is playing in everyday work.

At the same time, workers increasingly recognise that parts of their roles may become automated. Despite this awareness, many remain unclear about what retraining or reskilling opportunities are available to help them adapt as their roles evolve.

Deputy survey data suggests that AI is often introduced without sufficient communication: explaining what tools are being deployed, how they operate, and why they are being adopted.

For many workers, understanding how their roles are changing alongside AI is critical. Without this clarity, caution remains around expanding AI further, particularly when workers believe new systems could increase the vulnerability of their roles.

Workers are also becoming more aware that important aspects of their working lives, including hours, pay and opportunities, are increasingly influenced by algorithms and AI-driven systems.

Research on gig economy platforms highlights similar concerns. Workers have reported growing discomfort with “black box” decision-making, where algorithmic systems determine outcomes without clear explanation. This lack of transparency has been linked to lower trust, higher stress and perceptions of unfairness.

	AI-Assisted Rosters	Algorithm-Ruled Platforms
Role of AI	Decision-support tool	Decision maker
Human Oversight	Managers and workers review, adjust and over-ride	Limited or no meaningful over-ride
Transparency	Clear inputs: availability, demand, skills	Opaque "black box" logic
Worker control	Workers can chat and negotiate swaps, preferences, flexibility	Workers accept or reject auto-assignments
Welfare impact	Can reduce administrative burden and job vulnerability	Reduces trust and increases dissatisfaction
Overall rationale	Combines the best of data analytics and human judgement	Optimises for platform efficiency

At the same time, AI is already helping automate routine scheduling and administrative tasks in many workplaces. This can reduce manual coordination and free workers to focus on service, care and human interaction.

These developments are contributing to the emergence of AI-assisted, human-responsible rostering. In this model, AI supports scheduling decisions while human managers and workers remain responsible for final decisions and oversight.

Rather than replacing human judgement, AI operates in the background to improve coordination and efficiency. This model illustrates how AI can support a future of work that is both technologically enabled and human-centred. Instead of an algorithm-driven workplace, shift-based industries are demonstrating how scheduling and workforce management can be AI-enabled while still keeping people in control.

AI's poly-employment divide

Resistance to AI adoption is strongest among the most economically vulnerable workers.

Poly-workers holding part-time roles show the highest levels of scepticism toward AI. These workers often rely on multiple jobs to maintain income stability and therefore experience greater uncertainty when new technologies are introduced into the workplace.

% of Shift Workers Who Don't Want AI

Source: Deputy 2025 Global Study

By contrast, poly-workers who hold full-time roles show the lowest levels of resistance. These workers tend to have greater job security and more stable employment conditions.

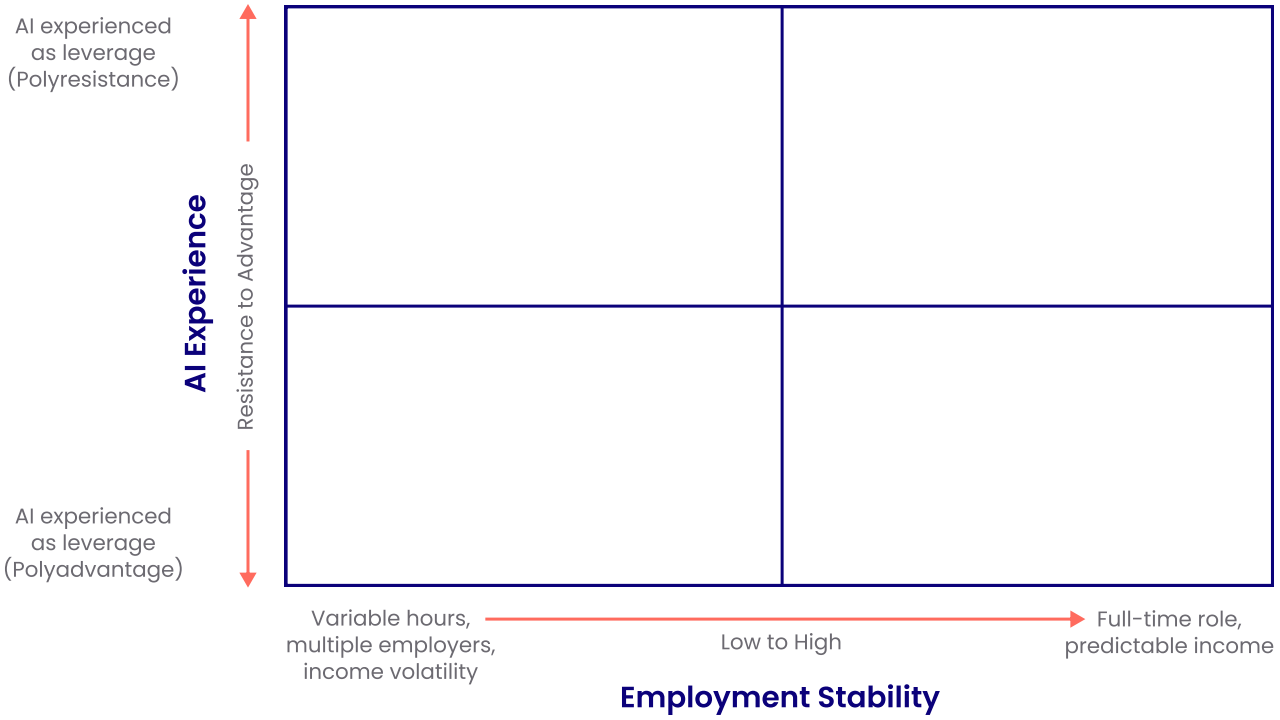
This difference highlights a broader pattern in how workers perceive AI. When jobs feel vulnerable, AI adoption is often viewed as a risk. When employment feels secure, AI is more likely to be seen as an opportunity.

The concept of **poly-resistance** describes the higher resistance to AI adoption observed among poly-employed workers. This response is often driven by repeated exposure to algorithmic optimisation systems that can increase schedule volatility, reduce income predictability and limit worker control.

In contrast, **poly-advantage** describes the position of workers with stable full-time employment who use AI to increase productivity, supplement income or support entrepreneurial activity. These workers are more likely to view AI adoption positively.

Employment stability determines AI experience

To understand the divergence, we map worker experience across two critical dimensions



Poly-employment itself has eased slightly as inflation and cost-of-living pressures have begun to moderate. However, participation remains close to the highest levels recorded since **1994**. This suggests that poly-employment is becoming a structural feature of the labour market rather than a temporary response to economic conditions.

Poly-employment rates are highest in hospitality and healthcare, where poly-workers represent 7.5% of each industry's workforce. Retail and broader service industries also show relatively high participation.

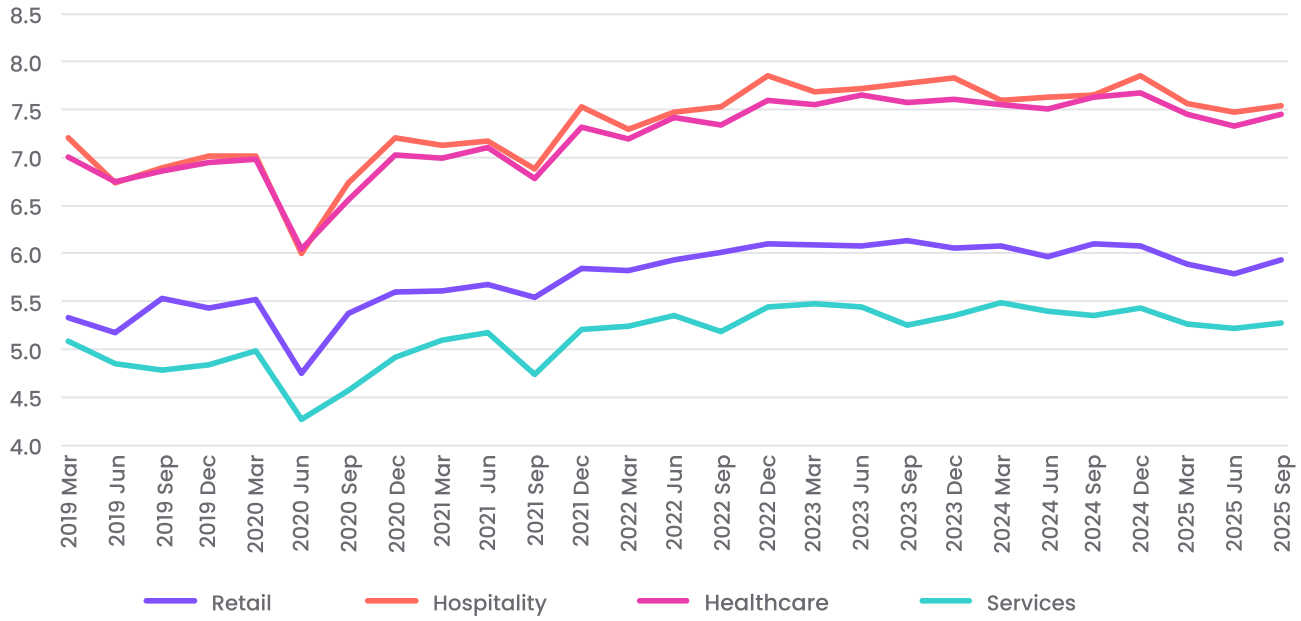
As poly-employment continues, the characteristics of poly-workers become increasingly important. A key distinction emerges between workers who experience poly-advantage and those who experience poly-resistance.

Poly-advantaged workers are more likely to use AI tools to increase productivity, expand income opportunities and improve work flexibility.

Poly-resistant workers, by contrast, are more likely to experience AI as a source of volatility. In these cases, algorithmic systems may contribute to greater uncertainty around scheduling, income and job stability, reinforcing scepticism toward AI adoption.

Poly-employment Rate by Industry

Source: ABS 2025



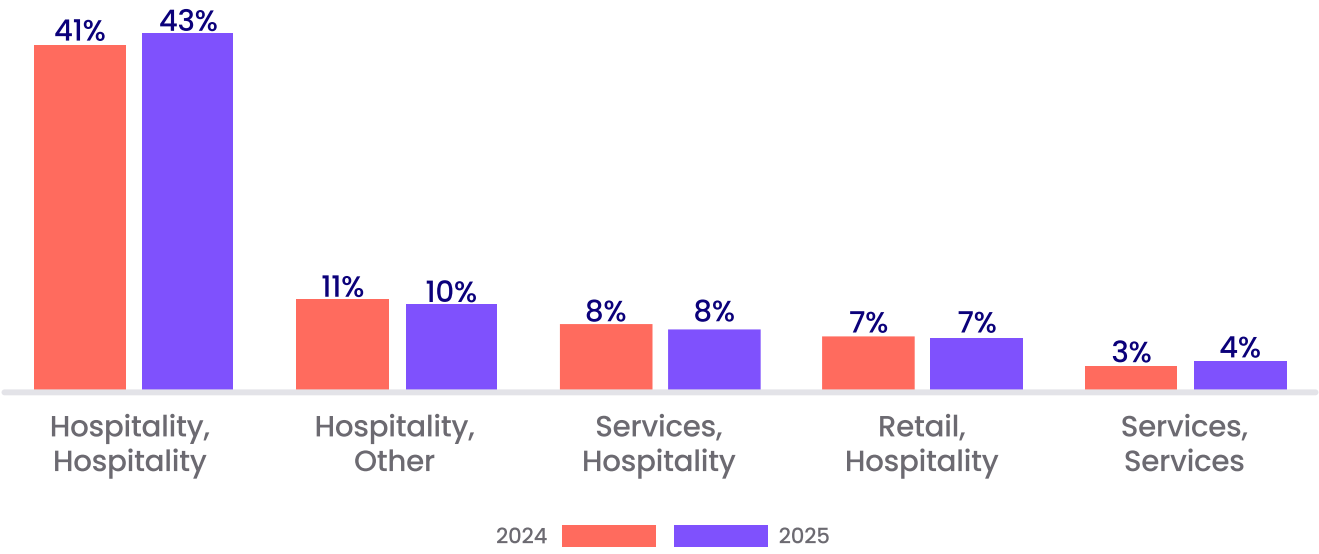
Women continue to represent the majority of poly-employed workers, accounting for **58%** of the workforce in **2025**.

Poly-employment is also heavily concentrated among younger workers. Gen Z represents **72%** of the poly-employed workforce, followed by Millennials at **21%**, Gen X at **5%** and Baby Boomers at **1%**.

The most common combinations of poly-work occur within similar sectors. Multiple hospitality roles are the most frequent arrangement, followed by multiple service-sector roles. Other common combinations include roles across healthcare and service industries.

Poly-employment Share by Industry Combinations

Source: Deputy, 2025



Geographic trends

Shift work growth has strengthened across Australia's major eastern states, particularly New South Wales and Victoria, where index levels have accelerated since early **2025**.

Queensland and Western Australia have also recorded solid upward momentum. This trend aligns with continued population growth and expansion across service-led industries that rely heavily on shift-based work.

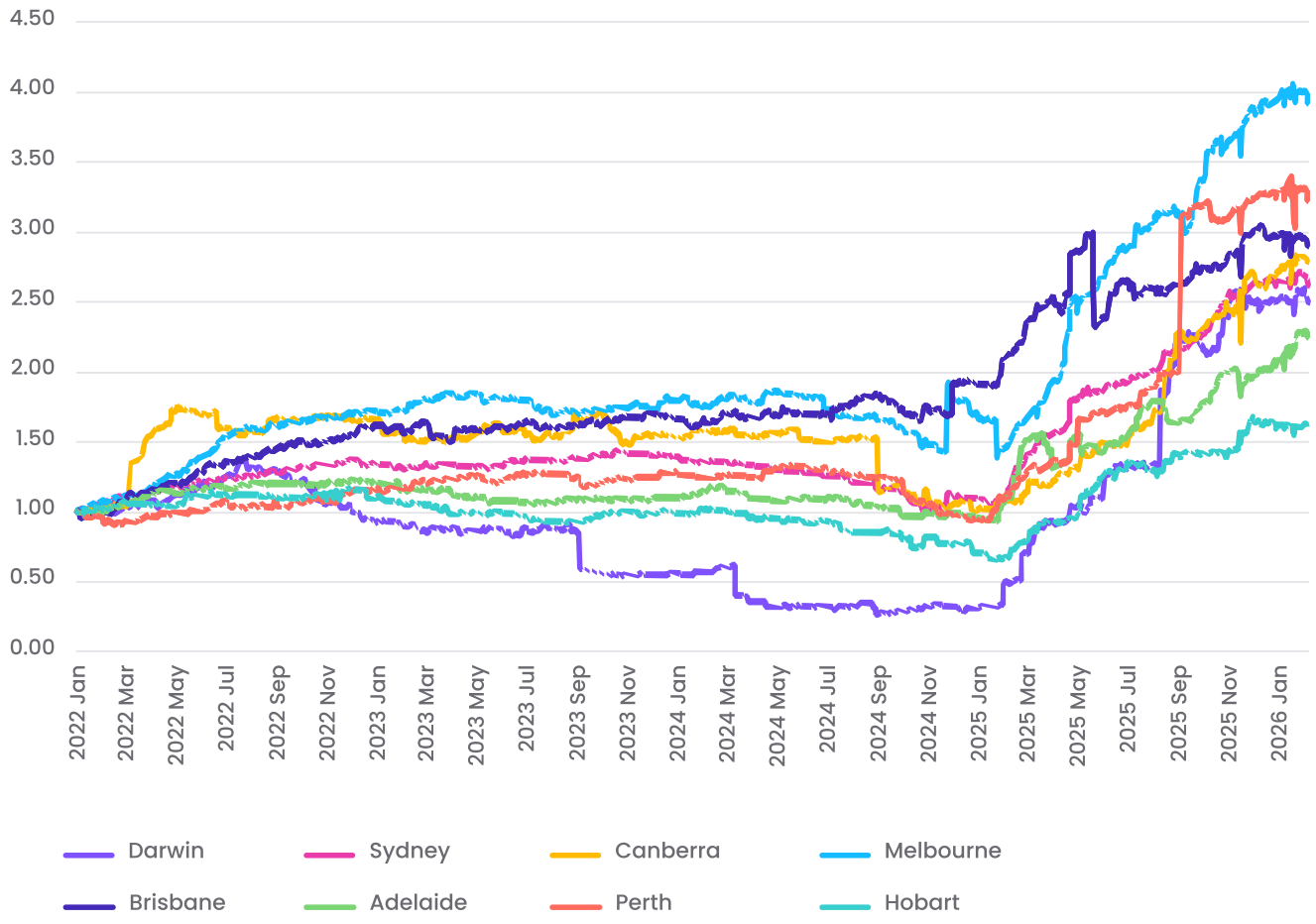
The divergence in activity is most visible in the Australian Capital Territory and the Northern Territory, where shift activity remains weaker compared with other jurisdictions.

In the ACT, softer growth likely reflects the structure of the local labour market. The territory's economy is more heavily influenced by the public sector and features a more stable employment structure that is less exposed to shift-based industries.

The Northern Territory shows greater volatility. This pattern suggests structural labour market constraints, with the territory experiencing uneven recoveries before showing signs of improvement toward late **2025**.

Deputy Shift Work Index, Capital Cities

Source: City CBDs as defined by postcodes, Deputy (2025)



Across the country, shift work growth is increasingly concentrated in major metropolitan labour markets. Melbourne, Brisbane and Perth have all recorded sharp increases in index levels since early **2025**.

Sydney continues to show steady growth, although at a more moderate pace. This pattern is consistent with Sydney's already large and diversified service sector.

Smaller capital cities such as Darwin and Canberra display more volatility in shift activity. These movements reflect the dynamics of smaller labour markets where industry concentration can amplify fluctuations in employment patterns.

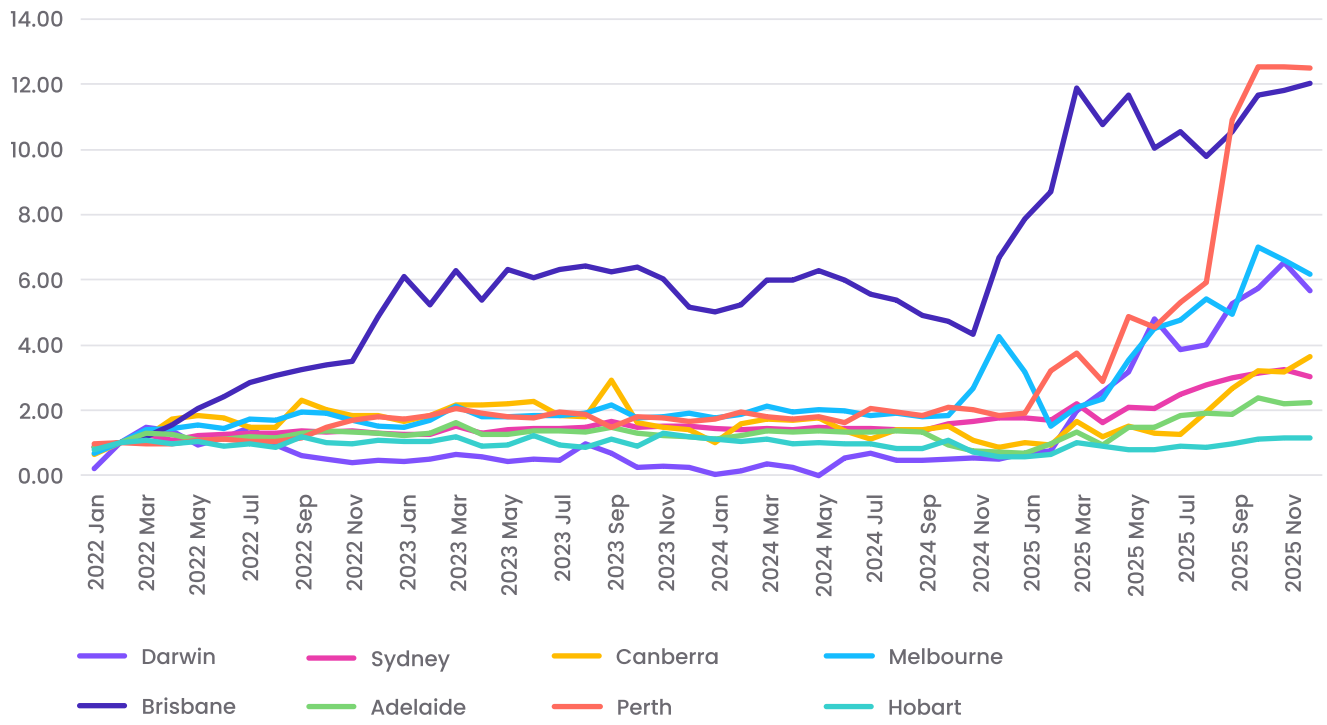
The broader uplift observed since **2024** suggests that urban consumer activity is driving much of the expansion in shift work. Growth across hospitality, healthcare, logistics and retail is contributing to stronger employment demand in major metropolitan areas.

At the same time, the divergence between cities highlights that shift work momentum is not uniform across the country. Local industry mix and population growth continue to play a significant role in shaping labour market outcomes.

Night-time shift activity has also become an increasingly important driver of city-level recovery. Brisbane, Melbourne and Perth CBDs have seen particularly strong growth in evening and late-night shifts.

Deputy Night Time Shift Index, Capital City CBDs

Source: Deputy 2025 as calculated using no. of evening shifts



Brisbane has recorded the strongest sustained lift in evening shifts, although this growth comes from a relatively small base of night-time workers. The trend suggests that urban initiatives designed to attract hospitality and service-sector investment are beginning to generate additional night-time employment.

Perth has experienced a sharp late-stage acceleration in evening activity. This pattern suggests that income growth linked to the resources sector is translating into stronger urban consumption.

In Sydney and Melbourne, the rebound in night-time activity reflects the gradual reactivation of the entertainment and events economy following a prolonged post-pandemic adjustment.

Smaller capital cities including Hobart, Adelaide and Canberra show more modest increases in night-time activity. This pattern indicates that the scale of the night-time economy is closely linked to population size and tourism flows.

The data suggests that CBD night-time economies are becoming a leading indicator of broader urban labour market strength. Night-time spending and employment are increasingly acting as a core engine of economic growth.

Consumer activity is shifting further into evening and late-night hours across hospitality, dining, retail and entertainment sectors. At the same time, flexible work patterns and extended trading hours are expanding opportunities for night-time employment in service-led industries.

As a result, the night economy is evolving into a structural driver of urban job growth rather than remaining a niche segment of the labour market.

However, the rapid expansion of night-time activity is also creating new challenges for cities. Issues related to safety, transport, licensing and the management of public spaces are becoming more prominent as night-time economies grow.

In response, several cities and regions are establishing dedicated leadership roles focused on managing and developing the night economy. These include Night-Time Mayors, Commissioners and dedicated Night Economy Offices.

Major regions such as New South Wales and Queensland have already introduced night-time leadership roles. Other jurisdictions, including Victoria and the ACT, are exploring similar positions to support the continued development of their night-time economies.

Regulation, platforms and digital work systems

Regulatory attention toward the shift work and platform economy is increasing across Australia, with several policy developments expected to reshape how digital labour systems operate.

At the federal level, ongoing reviews of the **Fair Work Act** are expected to clarify minimum entitlements for gig and platform workers. A central focus of these reviews is resolving long-standing ambiguity around employment status, workplace protections and the responsibilities of platform operators.

Worker classification is becoming a key area of regulatory scrutiny. Regulators are placing greater emphasis on identifying and addressing cases of sham contracting and worker misclassification. Businesses that rely on contractor models that closely resemble traditional employment arrangements may face increasing legal and financial risk as enforcement strengthens.

Compliance powers across the industrial relations system are also expected to expand. In **2026**, the **Fair Work Ombudsman** and industrial tribunals are set to receive broader authority to investigate workplace practices and enforce labour standards.

This expansion is likely to increase scrutiny of labour platforms, digital rostering systems and automated management tools. Regulators are expected to take a closer look at how workplace technologies influence wages, working hours, and broader working conditions.

Taken together, these developments signal a shift in regulatory focus. Rather than regulating individual workers, policymakers are increasingly turning their attention toward the digital systems and platform models that shape how work is organised.

New South Wales is emerging as an early mover in this area. The **Work Health and Safety Amendment (Digital Work Systems) Bill 2025** brings algorithms, AI and platform technologies directly within the scope of Work Health and Safety law.

Under the proposed changes, employers and Persons Conducting a Business or Undertaking (PCBUs) will have a primary duty of care to ensure that digital systems do not create unsafe or harmful working conditions.

This includes ensuring that technologies do not generate unreasonable workloads, excessive performance monitoring, intrusive surveillance or discriminatory outcomes.

The legislation also introduces mechanisms to improve transparency around algorithmic systems. Work Health and Safety entry permit holders may request access to inspect algorithms or digital systems where safety breaches are suspected.

The definition of a **digital work system** within the legislation is broad and includes AI tools, automation systems, online platforms and algorithmic scheduling technologies.

At the national level, policy discussions are also underway regarding the governance of AI in employment settings. Areas currently under consideration include requirements for human oversight in AI-driven hiring or termination decisions, as well as the potential development of broader national standards for AI governance in workplaces.

These discussions indicate that Australia may move toward more structured oversight of AI systems used in employment.

As regulatory frameworks evolve, they are likely to influence how digital tools are used to manage workforces. The emerging direction of policy suggests a gradual shift away from fully algorithm-determined scheduling and toward models where AI supports decision-making while human managers remain responsible for final outcomes.

In practice, this means that workforce management systems are likely to move toward **human-responsible, AI-enabled rostering,** where technology improves coordination and efficiency while maintaining human oversight.

Economic outlook

Australia enters **2026** with monetary policy still in a restrictive phase, as higher interest rates continue to work through the economy in an effort to contain inflation. The February **2026** interest rate increase illustrates that this adjustment is ongoing, with continued impacts visible in shift worker sentiment.

The transmission of higher interest rates across households remains uneven. Mortgage holders face sustained pressure through higher repayments, but the effects are concentrated among households with higher levels of debt.

Consumer spending is expected to soften slightly, particularly across discretionary categories. However, a sharp collapse in spending is not anticipated.

Housing market conditions are also expected to stabilise. House prices are projected to remain steady or experience modest growth, supported by supply constraints, population growth and the ongoing structural shortage of housing.

Australia's demographic structure also plays an important role in shaping spending patterns. Older households, particularly those **aged 50 and above** who are more likely to be mortgage-free, hold a disproportionate share of household wealth and are therefore more insulated from interest rate pressures.

As a result, spending momentum through **2026** is likely to be driven largely by two groups: older households with significant assets and low debt, and dual-income households with established financial stability.

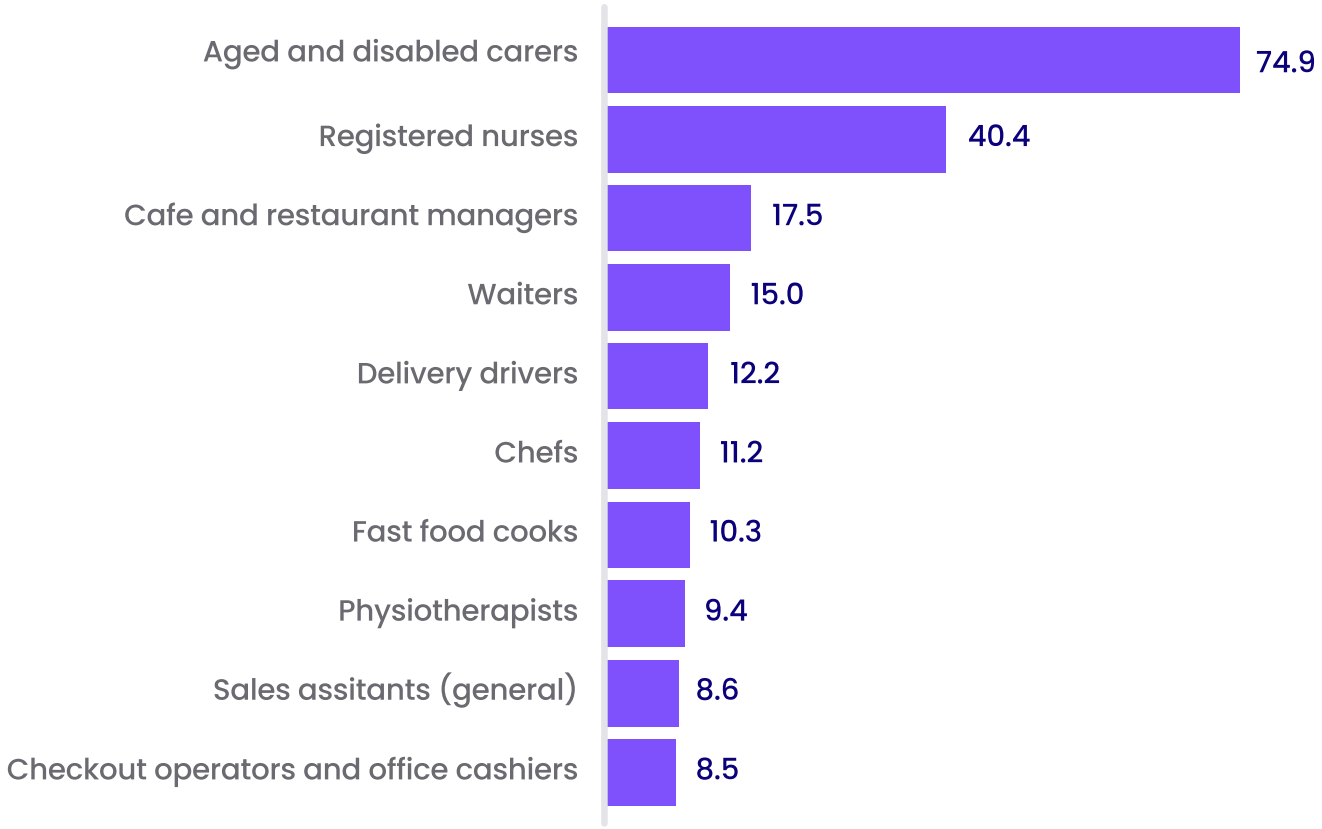
More broadly, population growth and migration are expected to continue supporting labour market conditions. These forces are likely to help ease some labour shortages while also supporting job creation across the economy in **2026**.

Looking further ahead, the long-term employment outlook remains positive. Net job creation through **2030** is expected to be driven overwhelmingly by the care economy, including aged care, disability support and health services.

Among the fastest-growing occupations are aged and disability carers, which represent the single largest projected increase in employment. Registered nurses and allied health professionals are also expected to see strong growth.

Top Ten Occupations by Net Job Increase ('000s) to 2030

Source: Department of Employment, 2024



Service-intensive sectors including hospitality, delivery services, food services and retail are also projected to remain among the largest contributors to net job creation.

These trends reinforce the expectation that AI and automation are unlikely to produce net job declines in sectors such as retail or fast food, even where labour-replacing technologies are introduced. In many cases, employment continues to expand because demand growth and population expansion outweigh the impact of automation.

In this environment, the key constraint facing the economy is not demand, but labour supply. Australia does not currently have sufficient workers or skills to meet the growing demand for care, health and service occupations.

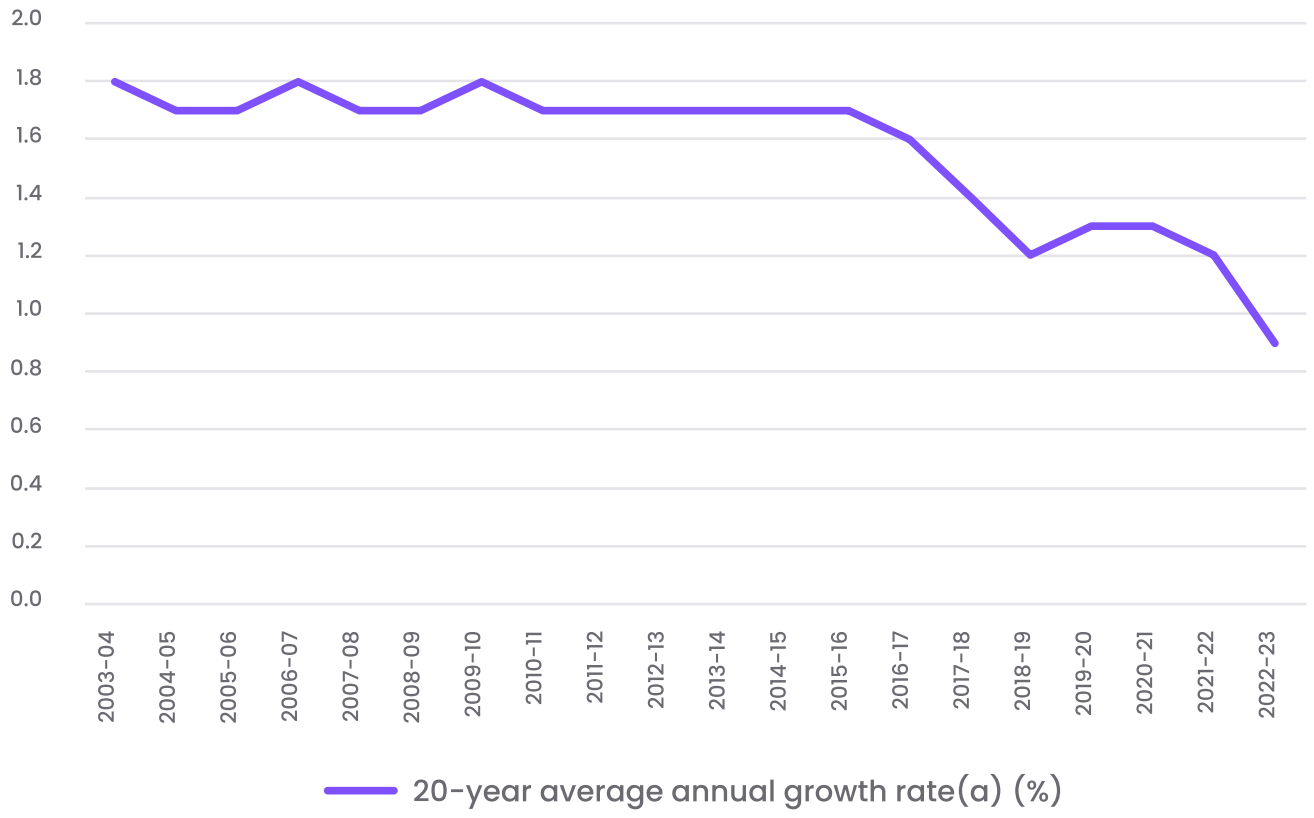
As a result, the economy will increasingly rely on expanded domestic training and skilled migration as essential workforce pipelines to support the growth of the care economy.

At the same time, Australia's long-term growth is increasingly driven by labour-intensive industries such as care services, hospitality, retail and other service sectors. These industries traditionally face greater challenges in achieving strong productivity gains.

As the economy continues to shift toward service-led growth, maintaining historical rates of productivity improvement becomes structurally more difficult.

Australian Annual Productivity Growth

Source: Australian Annual Productivity Growth



Without reforms to address this challenge, slower productivity growth may constrain wage growth, living standards and government fiscal capacity over time.

Current market conditions alone are not generating strong incentives for businesses to invest in labour-enhancing AI technologies. In sectors where competition is limited, firms may face fewer pressures to pursue productivity improvements through innovation.

A strategic shift toward augmentation technologies presents a potential opportunity to address this challenge. AI tools that enhance decision-making, improve workflow coordination, optimise scheduling, strengthen logistics and support care delivery may offer meaningful productivity gains in service industries.

Unlocking this potential will likely require a combination of policy and market changes. These include reforms that strengthen competition, increased investment in skills and training, clear regulatory frameworks for technology adoption, and incentives that encourage productivity-enhancing AI rather than solely labour-replacing technologies.

Retail

Industry Deep Dives

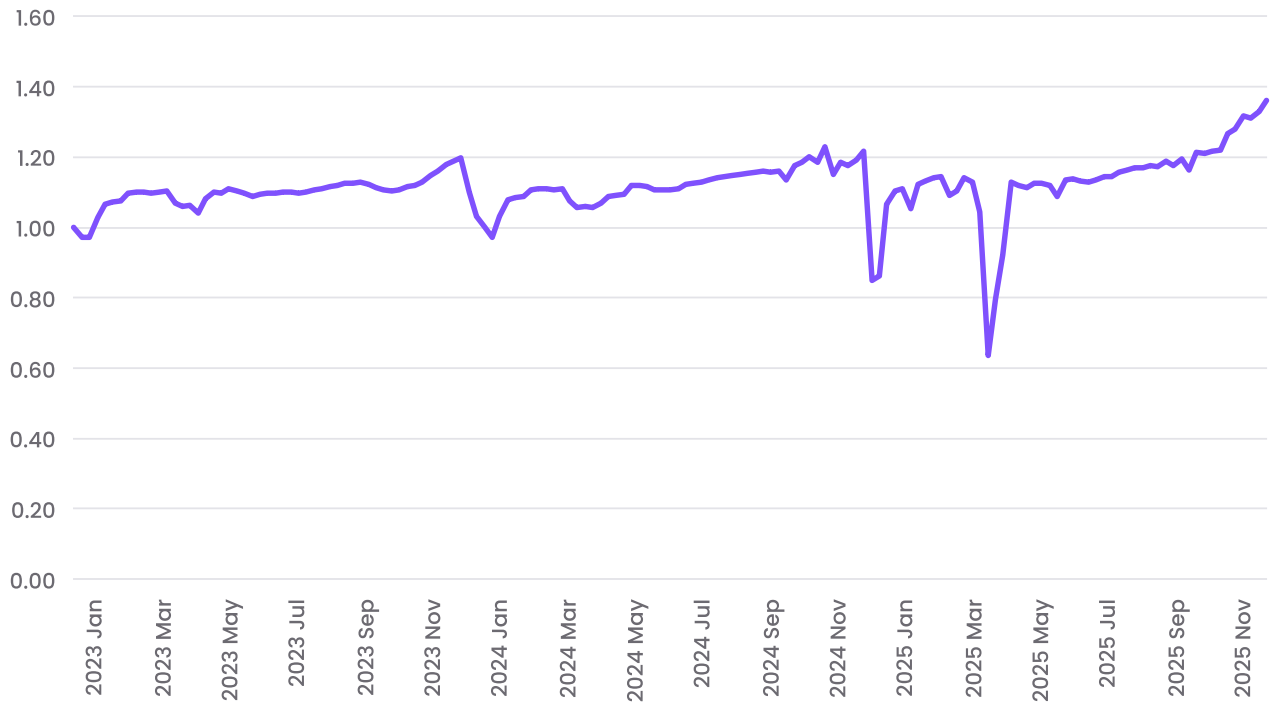
Retail activity and trends

Australia's shift-based industries, including retail, hospitality, healthcare and services, continued to expand through **2024 and 2025** despite higher interest rates and ongoing cost-of-living pressures.

Retail employment growth has been the most sustained. Shift jobs in the sector now exceed pre-COVID levels by **36%** and continued trending upward throughout **2025**.

Deputy Shift Work Index, Retail

Source: Deputy, 2026



This growth reflects resilient household consumption. Consumer spending has remained stronger than expected even as monetary policy tightened.

The data suggests that consumer-facing industries remain relatively robust, even while real wage growth and discretionary spending remain constrained.

Since **2022**, retail shift employment has expanded across all major subsectors despite ongoing cost-of-living pressures.

Clothing, personal care and discretionary lifestyle retail have been among the strongest-performing segments. This growth reflects the recovery of social activity and deferred consumption following the pandemic.

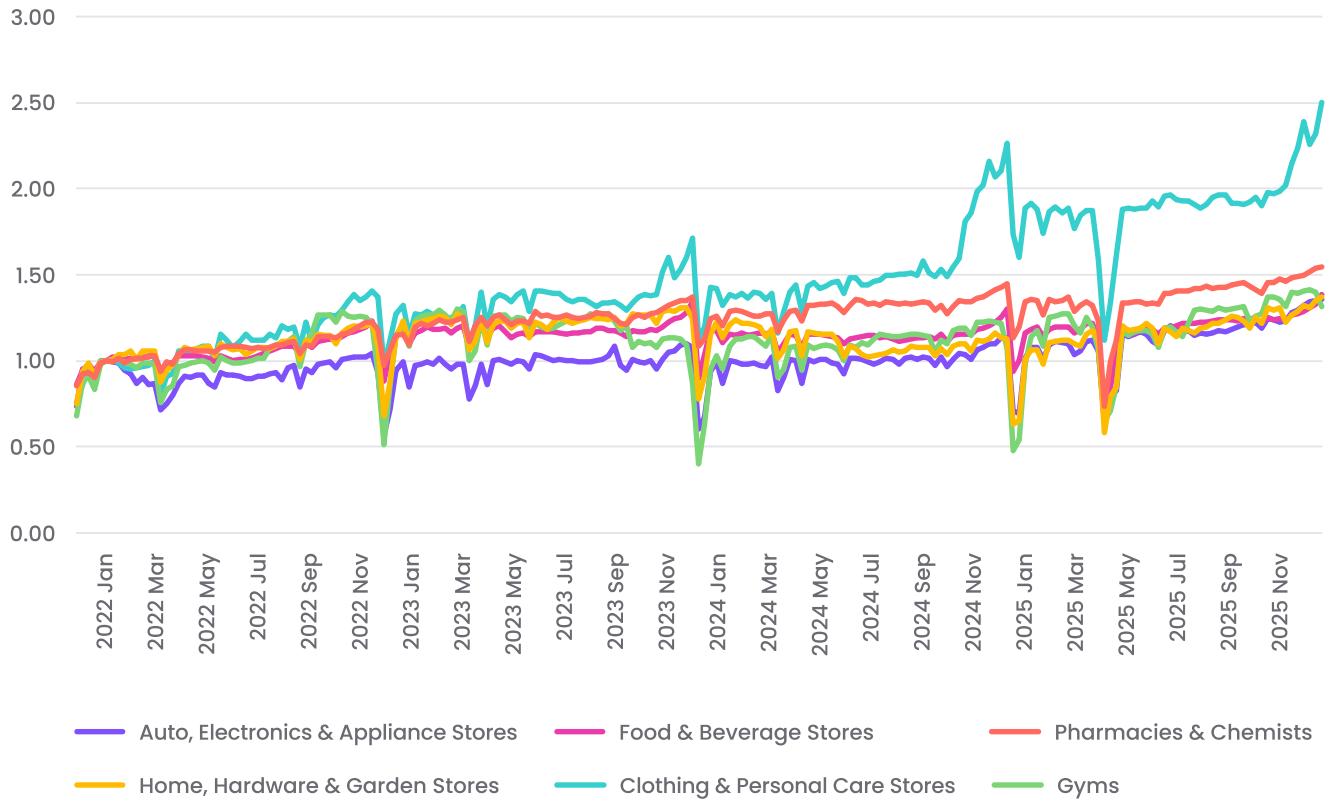
Pharmacies and chemists have also shown steady growth. This expansion is supported by population ageing, increased attention to healthy living and rising demand for healthcare services.

Food and beverage retail has remained comparatively stable. As an essential category, it provides a baseline level of demand for retail employment even when discretionary spending fluctuates.

Overall, retail shift employment continues to track broader household consumption patterns, reinforcing the sector's role as a core employment base within Australia's shift economy.

Deputy Shift Work Index, Retail

Source: Deputy, 2026



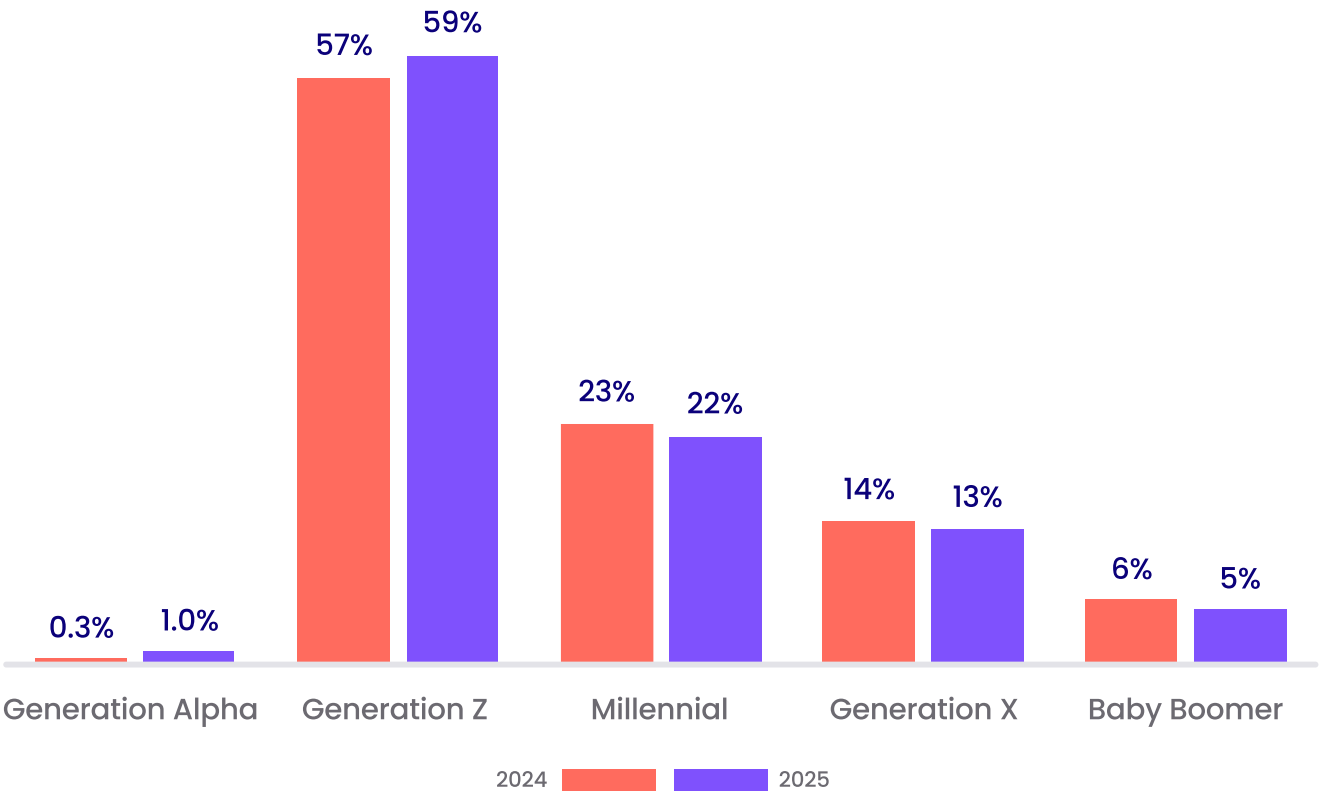
At the same time, the generational composition of the shift workforce continues to change.

Gen Z now represents the majority of shift workers, increasing from **57%** in **2024** to **59%** in **2025** as younger workers continue entering shift-based industries.

Millennials remain the second-largest cohort, although their share declined slightly from **23%** to **22%**. This shift reflects the ongoing transition of many Millennials into supervisory and managerial roles.

Share of Shift Work by Generation, 2024 and 2025

Source: Deputy, 2025



Participation among Gen X also declined, falling from **14%** to **13%**, while Baby Boomers decreased from **6%** to **5%**. These trends reflect the continued generational turnover occurring across frontline industries.

Generation Alpha remains a small but emerging presence in the workforce. Their share increased from **0.3%** to **1.0%** as the youngest workers begin entering the shift economy.

Micro-shifts and changing workforce participation

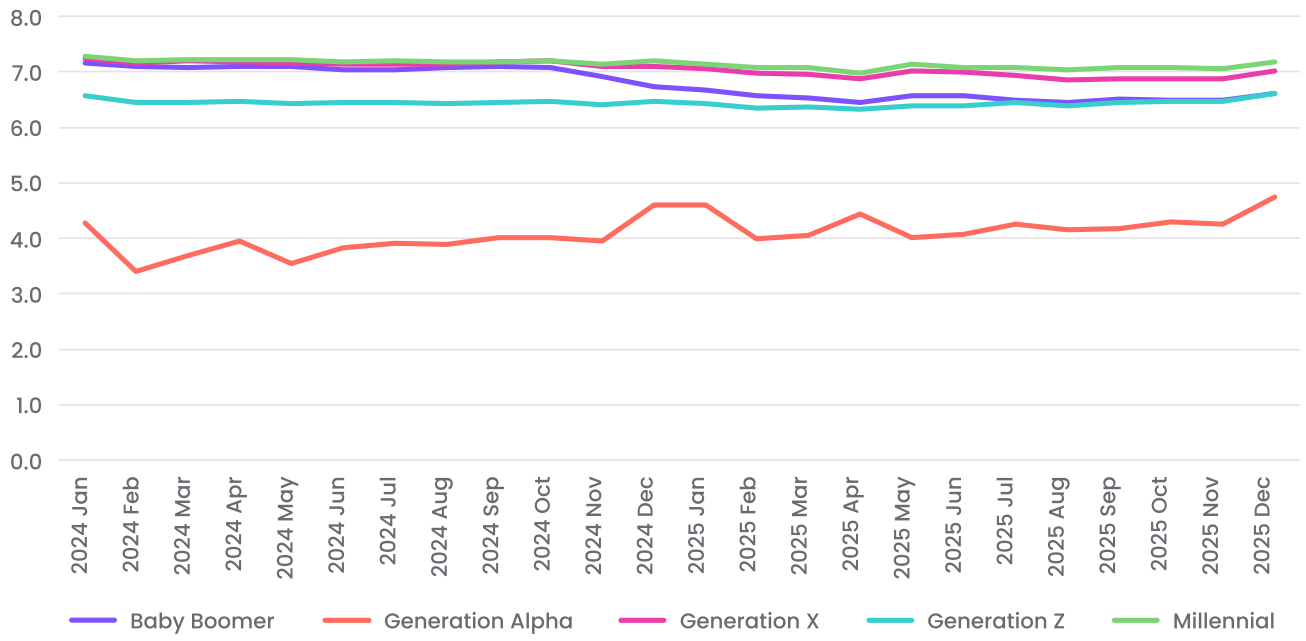
Deputy data indicates that micro-shift employment is becoming more common across a range of occupations. Shorter and more flexible shifts are appearing within existing roles as businesses and workers adjust to changing workforce needs.

Generation Alpha records the lowest average shift length at **4.7 hours**. This pattern suggests that shorter shifts are becoming an important entry point for younger workers entering the labour market.

Baby Boomers and Gen Z workers also record relatively shorter average shifts compared with other cohorts.

Average Shift Length by Generation, Retail

Source: Deputy, 2025



Poly-workers provide further evidence of demand for flexible work patterns. Workers who hold multiple jobs often combine shorter shifts across different employers, reflecting a structure similar to micro-shift employment.

Among Gen Alpha workers, average shift lengths continue to decline as many combine work with post-high school study or higher education. Shorter shifts allow these workers to balance education and employment as they enter the workforce.

Baby Boomers are also increasingly participating in micro-shift work. Growing caregiving responsibilities, including caring for grandchildren and family members, mean many are unable to commit to longer or more regular working hours.

Across this cohort, average shift length has declined from **7 hours** to **6.6 hours** as a larger share of workers participate in shorter shifts.

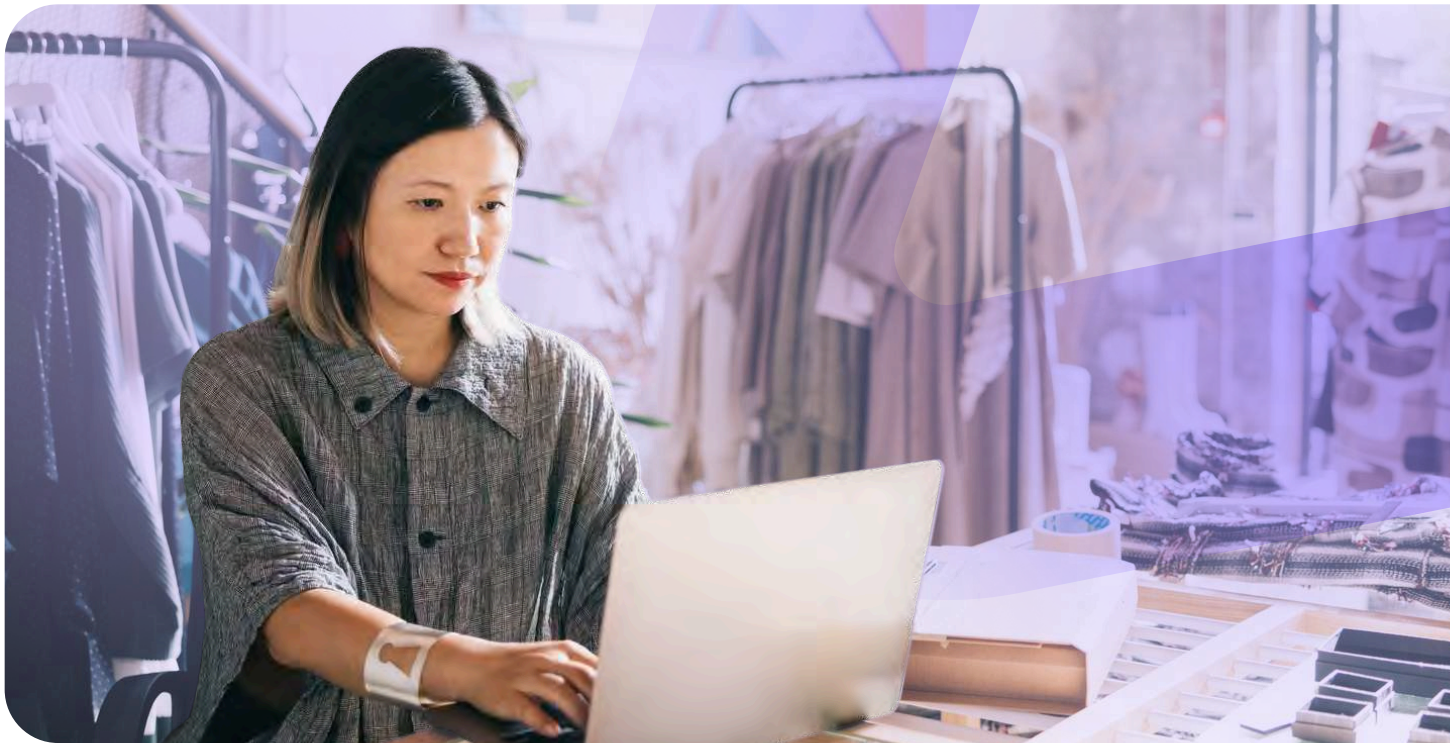
Gender participation

Female participation in retail shift work has also increased slightly, rising by **+0.5** percentage points overall. This growth has been driven by stronger participation across several customer-facing retail sectors.

The largest gains occurred in Clothing and Personal Care Stores (+2%), Food and Beverage Stores (+2%), and Home, Hardware and Garden Stores (+1%). These increases reflect stronger female participation in lifestyle and household retail categories.

Cafes and coffee shops also recorded a modest increase of **+1%**, consistent with rising demand across food-service retail formats.

These gains were partly offset by declines in Auto, Electronics and Appliance Stores (**-3%**). This suggests some change in workforce composition within more technical retail segments.



Wages and gender pay differences

Retail wages have increased for both men and women since **2022**, reflecting continued demand for shift workers across customer-facing industries.

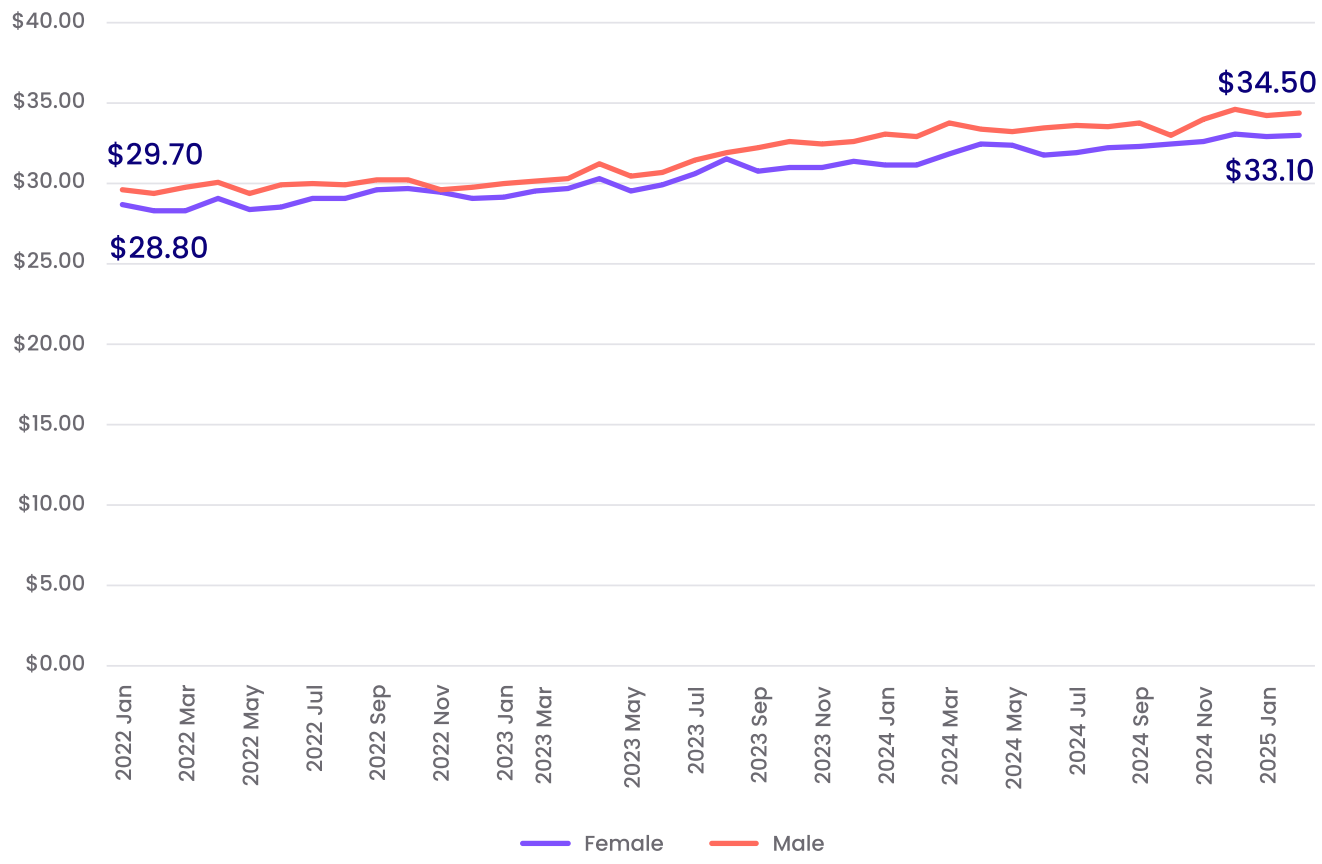
Male hourly pay increased from **$29.70** to **$34.50** between **2022** and early **2025**. Female hourly pay rose from **$28.80** to **$33.10** over the same period.

Despite wage growth for both groups, the gender pay gap widened slightly. The gap increased from approximately **$0.90** per hour to around **$1.40** per hour during this period.

This divergence reflects the continued concentration of male workers in higher-paid managerial and supervisory roles, while female workers remain more represented in frontline retail positions.

Average Hourly Pay by Gender, Retail

Source: Deputy, 2025



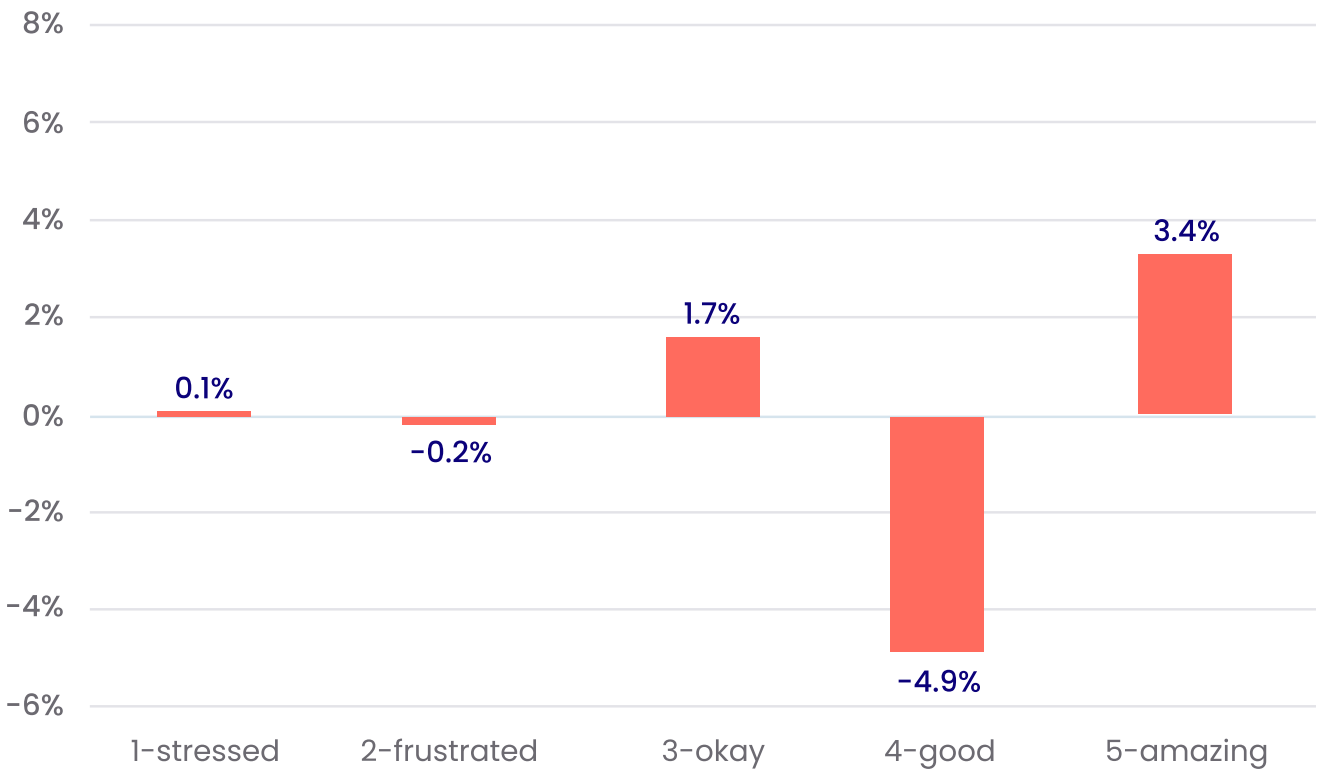
Worker sentiment and labour market conditions

Retail worker sentiment improved through **2025**, indicating that pressure from the earlier cost-of-living shock has begun to ease.

The share of retail workers reporting they feel "amazing" increased by **3.4%**, representing the strongest improvement across sentiment categories.

Change in Deputy Shift Pulse Sentiment, Retail

Source: Deputy, 2025



At the same time, the share of workers reporting they feel "good" declined. This suggests that sentiment has shifted toward more positive responses rather than remaining in more neutral categories.

Overall, the data indicates that retail workers are reporting higher workplace sentiment as inflation pressures begin to ease.

Labour market conditions within the retail sector remain relatively stable. Retail termination rates have stayed low since **2022**, generally fluctuating between **0.1%** and **0.15%** per month.

There has been no sustained rise in separations, suggesting that retail employers continue to retain workers despite slower economic growth.

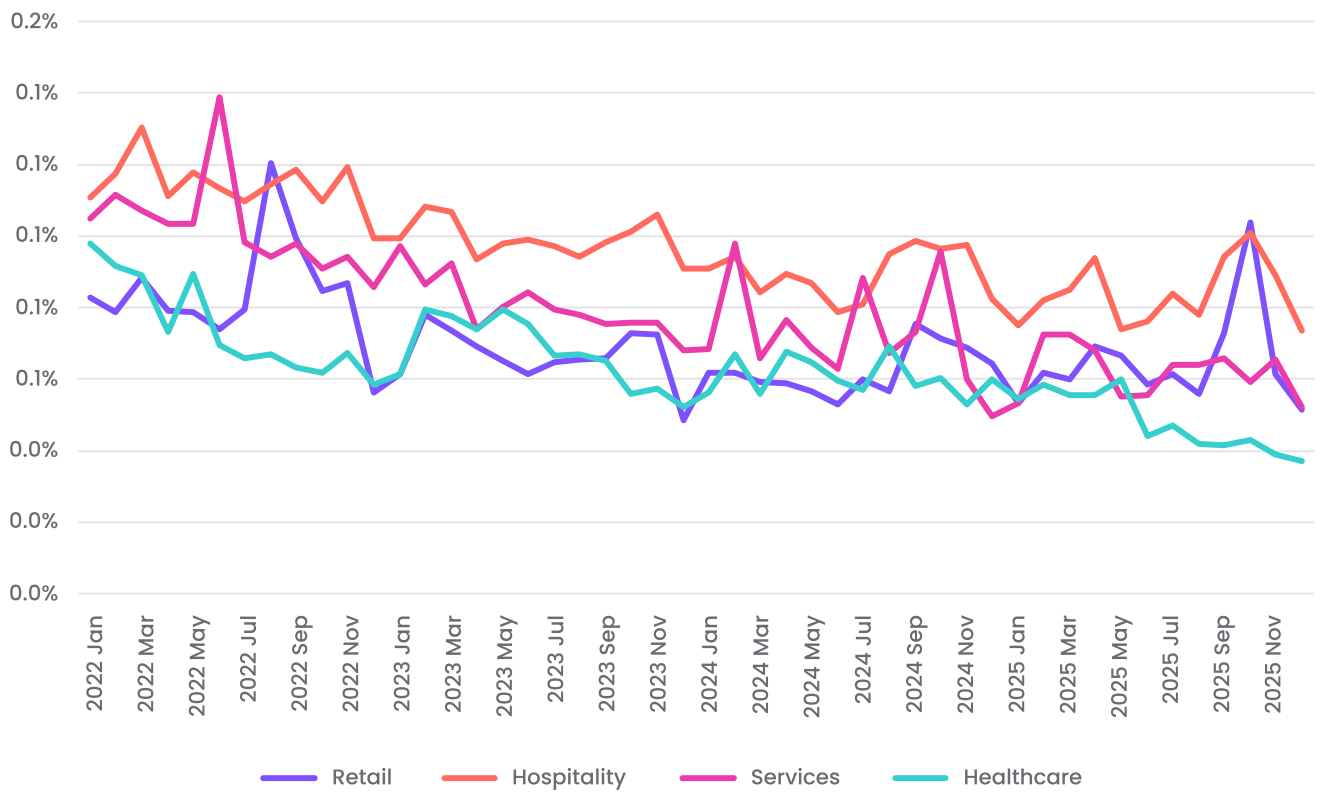
This stability in exits indicates that labour markets remain tight across the sector, with employers prioritising workforce retention.

Retail businesses appear cautious about losing trained staff after several years of labour shortages. Retaining experienced employees has become an operational priority for many employers.

Hiring activity, however, has moderated since the post-pandemic surge. Retail hiring rates have gradually declined since **2022**, reflecting a slowdown after several years of rapid recruitment.

Hiring Rates, 2022-2025

Source: Deputy, 2025



Monthly hiring rates have fallen from peaks of around **0.15%** in **2022** to approximately **0.05%** to **0.08%** through **2025**.

This moderation does not necessarily signal weaker demand. Instead, it suggests that many firms have reached their target staffing levels after an extended period of workforce expansion.

Rather than continuing aggressive hiring, many retail employers appear to be focusing on optimising existing teams and workforce structures.

Retail outlook 2026

Looking ahead, several economic factors may continue to influence hiring decisions. Slowing inflation and tax relief may support gradual improvements in real household spending, but consumers remain highly price-sensitive and trade-down behaviour continues across many retail categories.

Interest rate uncertainty also remains a risk. The Reserve Bank of Australia has indicated that further tightening remains possible if inflation re-accelerates, which could quickly affect discretionary spending.

Global economic conditions may also play a role. Recent geopolitical uncertainty and oil price volatility have the potential to complicate the policy environment, increasing the risk of sustained high-price and high-interest-rate conditions.

Import pricing volatility remains another challenge for retailers. Significant fluctuations in the Australian dollar over the past year have affected the cost of imported goods, placing pressure on retailer margins.

Taken together, these factors suggest that many retailers may remain cautious in their hiring strategies as the sector moves into **2026**.

Hospitality

Industry Deep Dives

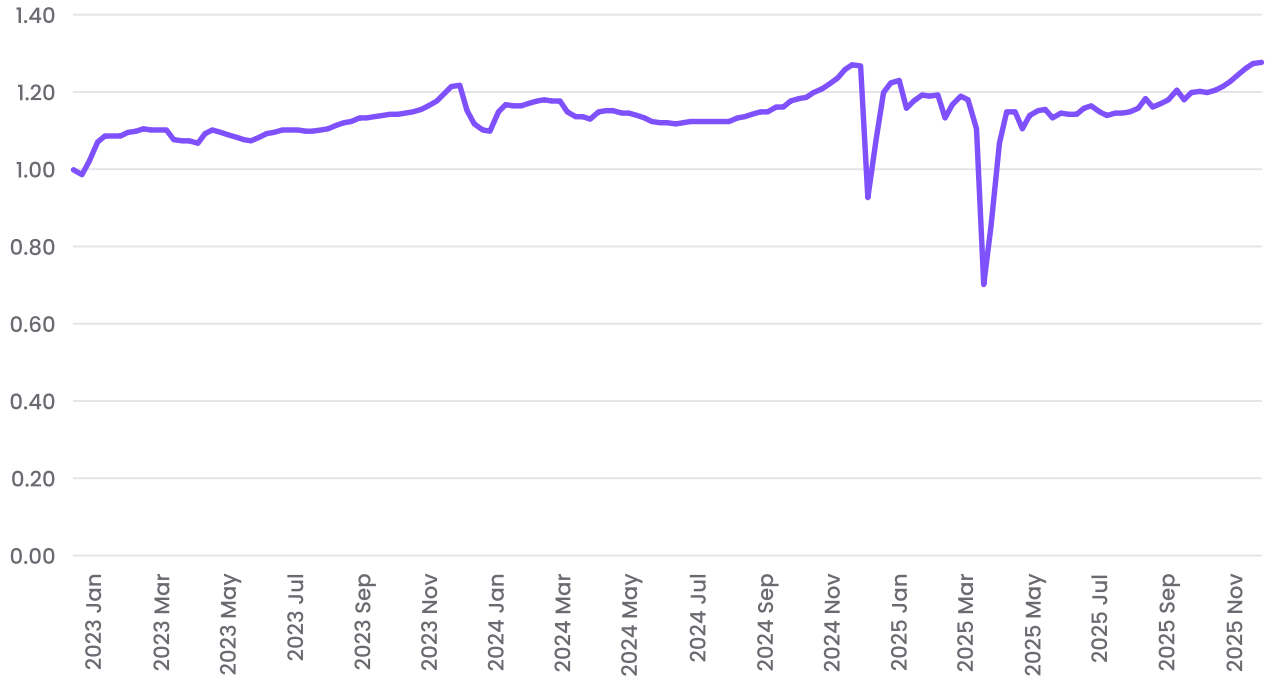
Hospitality activity and trends

Australia's hospitality sector continued to expand through **2024** and **2025** despite elevated interest rates and ongoing cost-of-living pressures.

The Deputy Shift Work Index shows hospitality activity increasing by **28%** by late **2025**, indicating sustained growth in shift demand across the sector.

Deputy Shift Work Index, Hospitality

Source: Deputy, 2026



This expansion reflects persistent consumer spending on dining, socialising and travel, even as household budgets remain constrained.

Overall, hospitality remains one of the most resilient shift work sectors, supported by strong demand for experiences and in-person services.

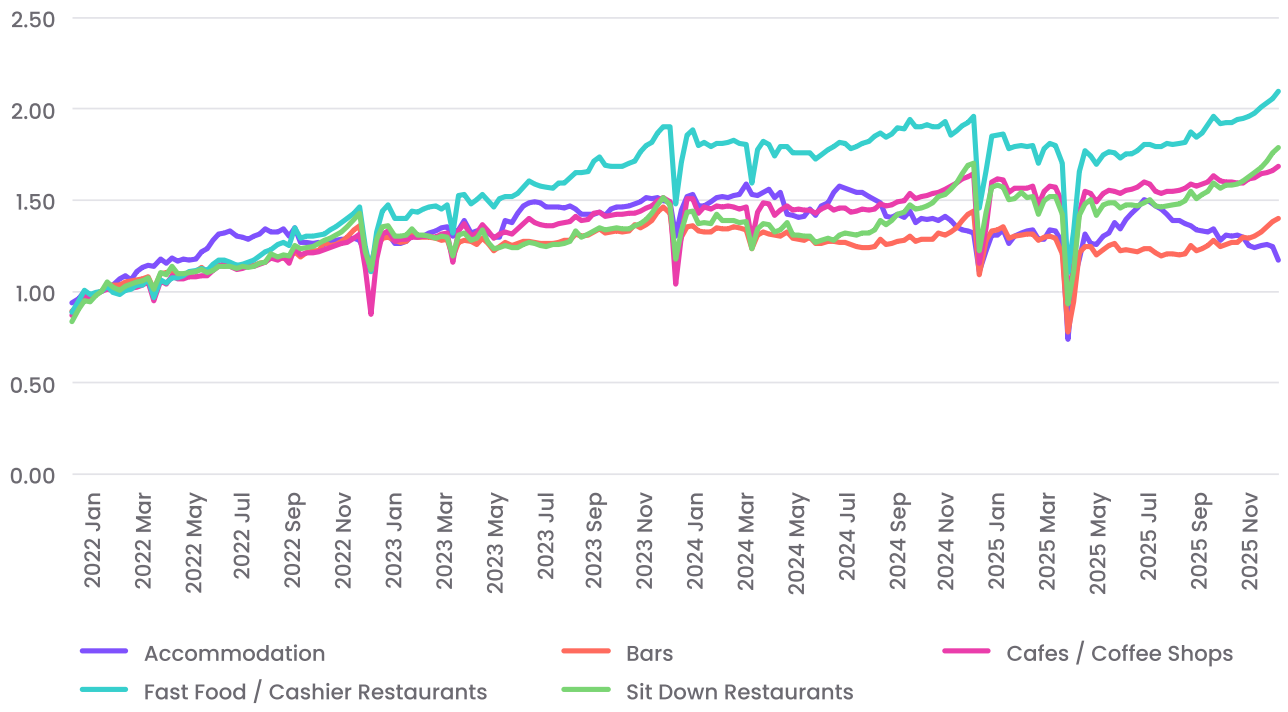
Following a period of volatility early in **2025**, hospitality activity recovered and expanded steadily through the remainder of the year. Continued consumer demand for dining and social experiences played a key role in supporting this recovery.

Growth within the sector has not been uniform across all formats.

Fast food and quick-service restaurants recorded the strongest growth, reflecting value-seeking consumer behaviour under ongoing cost-of-living pressures.

Deputy Shift Work Index, Hospitality

Source: Deputy, 2026



Cafés and coffee shops also continued to expand. Their role as everyday social venues and relatively lower-cost dining options has supported consistent demand.

Sit-down restaurants recovered more gradually, reflecting the impact of higher operating costs and tighter household spending on discretionary dining.

Accommodation activity increased earlier in the recovery but declined through 2025. This trend suggests that households may be reducing travel spending as living costs and interest rates remain elevated.

Bars showed weaker momentum overall, indicating softer late-night spending compared with other hospitality formats.

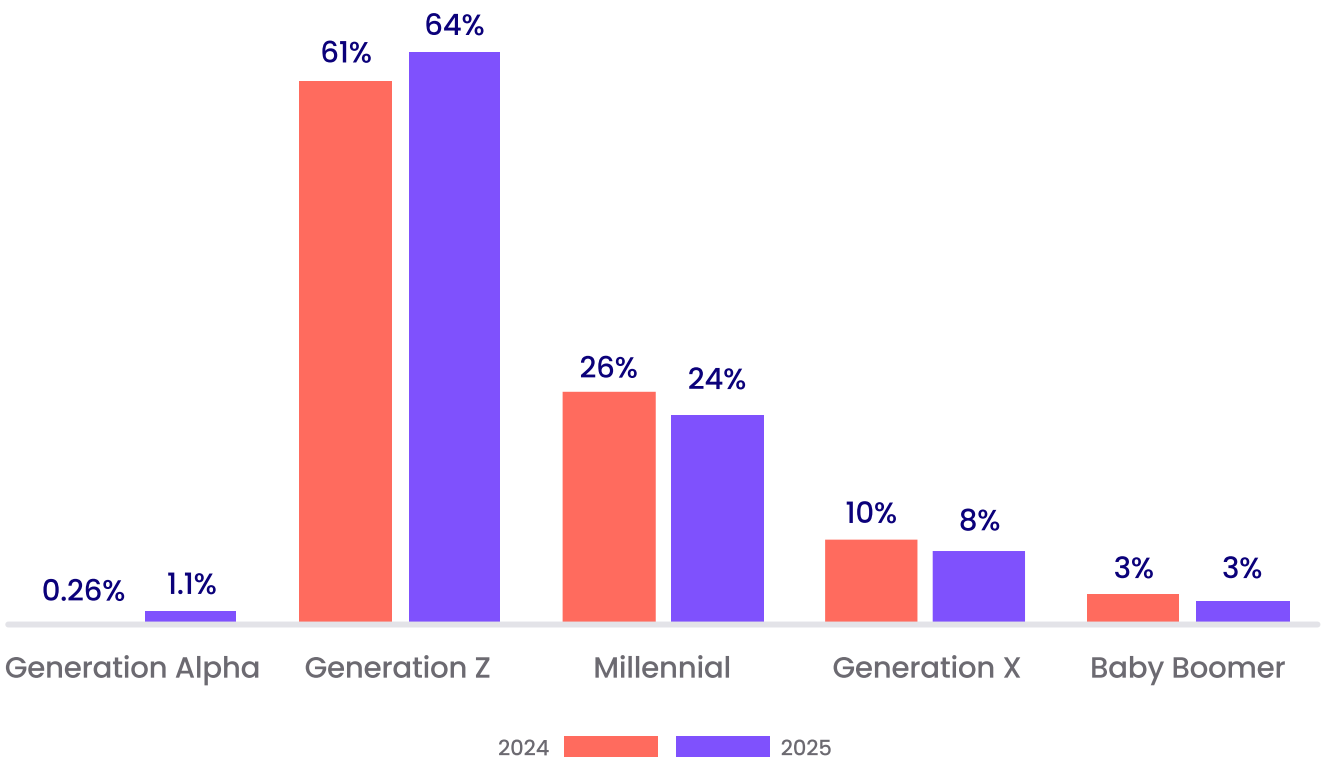
Generational composition of the hospitality workforce

The hospitality workforce continues to be shaped by strong generational turnover.

Gen Z now accounts for the majority of hospitality shift workers, increasing from **61%** in **2024** to **64%** in **2025**. This trend reflects the sector's continued reliance on younger workers in frontline roles.

Share of Shift Work by Generation, 2024 and 2025

Source: Deputy, 2025



Millennials remain the second-largest cohort within hospitality, although their share declined from **26%** to **24%**. This shift reflects many Millennials moving into supervisory and managerial positions within the industry.

Participation among older cohorts continues to decline. Gen X workers decreased from **10%** to **8%** of the workforce, while Baby Boomers remained at approximately **3%**.

Generation Alpha remains a small but emerging presence in the sector. Their share increased from **0.26%** to around **1.1%** as the youngest workers begin entering hospitality roles.

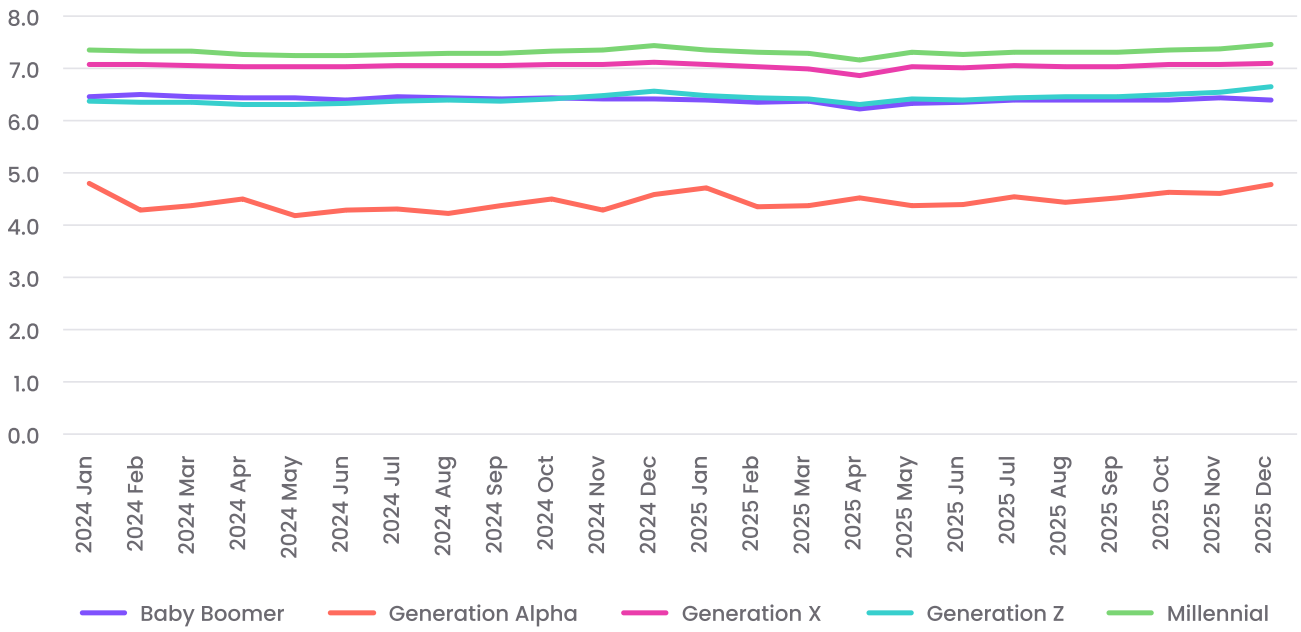
Overall, the data highlights rapid generational change within the industry. Gen Z is increasingly dominating frontline hospitality roles, while Millennials are progressively transitioning into management positions.

Micro-shifts and changing work patterns

Deputy data indicates that micro-shift employment is becoming increasingly common across hospitality roles, even within occupations that have traditionally relied on longer shifts.

Average Shift Length by Generation, Hospitality

Source: Deputy, 2025



Generation Alpha records the shortest average shift length at **4.8 hours**, suggesting that shorter shifts are becoming an important entry point for this emerging workforce.

Baby Boomers and Gen Z workers also record relatively shorter average shift lengths compared with other generations.

Poly-workers provide further evidence of demand for flexible work arrangements. Workers holding multiple roles often combine shorter shifts across different employers, reflecting patterns similar to micro-shift employment.

Among Gen Alpha workers, average shift lengths continue to decline as many combine work with post-high school study or higher education. Shorter shifts allow these workers to balance employment with education during their early entry into the labour market.

Baby Boomers are also increasingly participating in micro-shift work. Growing caregiving responsibilities, including caring for grandchildren and other family members, mean many are unable to commit to longer or fixed working hours.

As a result, average shift lengths for Baby Boomers have declined from **6.5 to 6.4 hours** and continue to trend downward as more workers adopt shorter shifts to manage these responsibilities.

Gender participation

Hospitality recorded a **0.4%** decline in the female share of shift work, indicating a modest shift in gender balance across the sector.

Within hospitality, changes vary across venue types.

Accommodation (**+2%**) and Cafés and Coffee Shops (**+1%**) recorded small increases in female participation, while Catering showed a slight decline of **-1%**. These movements suggest that gender participation across these segments remains broadly stable.

By contrast, several customer-facing hospitality roles recorded declines in female participation. Sit-Down Restaurants (**-1%**), Bars (**-2%**), and Fast Food and Cashier Restaurants (**-2%**) all saw reductions in the female share of shift work.

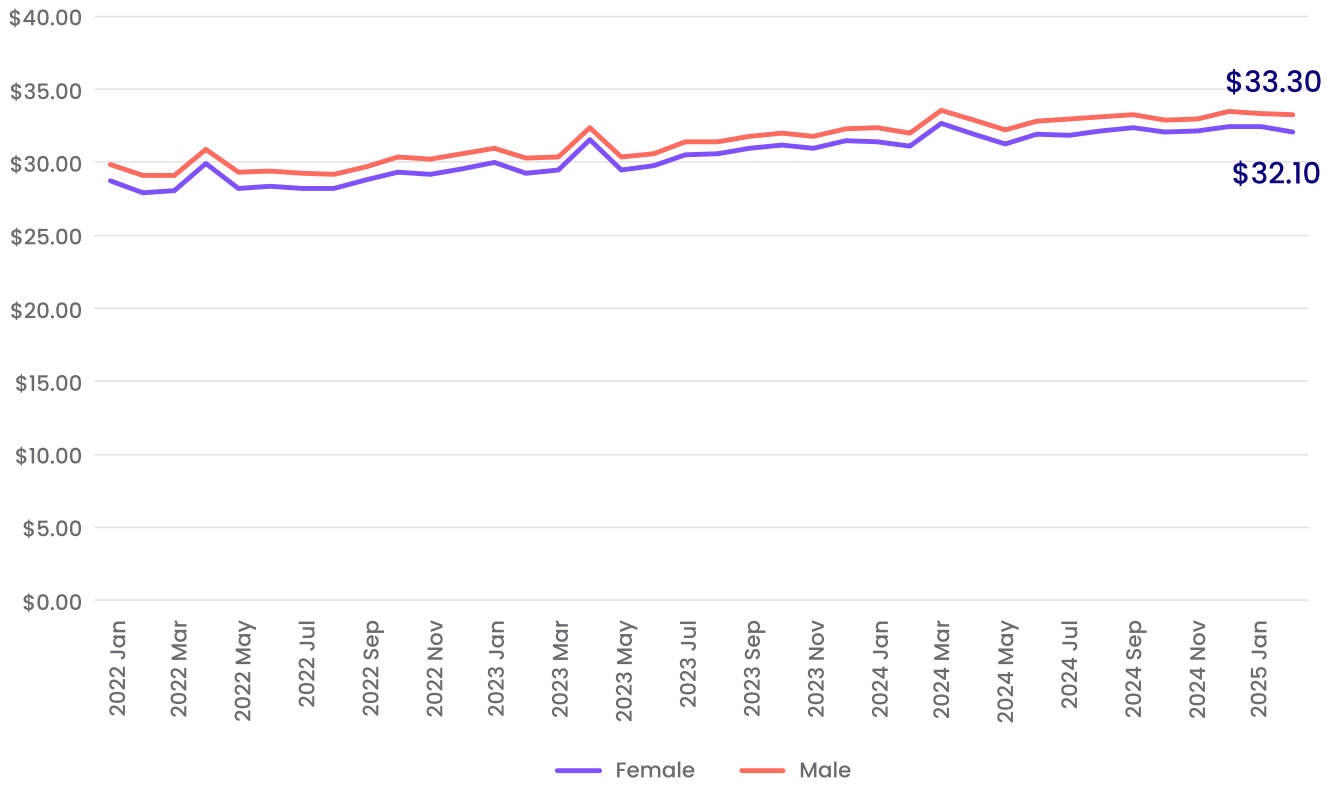
These patterns indicate that gender shifts within hospitality are occurring unevenly across different venue types. Declines in female participation are more concentrated in restaurant and bar-based roles, while accommodation and café segments remain comparatively stable.

Wages and gender pay differences

Male hourly pay in hospitality remains consistently higher than female pay across the period.

Average Hourly Pay by Gender, Hospitality

Source: Deputy, 2025



By early **2025**, average hourly pay reached **$33.30** for men compared with **$32.10** for women, maintaining a persistent pay gap across the sector.

Wages for both groups have increased steadily since **2022**. This reflects rising wage pressures across hospitality as businesses continue competing for workers.

Despite these increases, the gap between male and female pay has remained relatively stable. Wage growth has lifted pay across the sector but has not significantly narrowed gender differences.

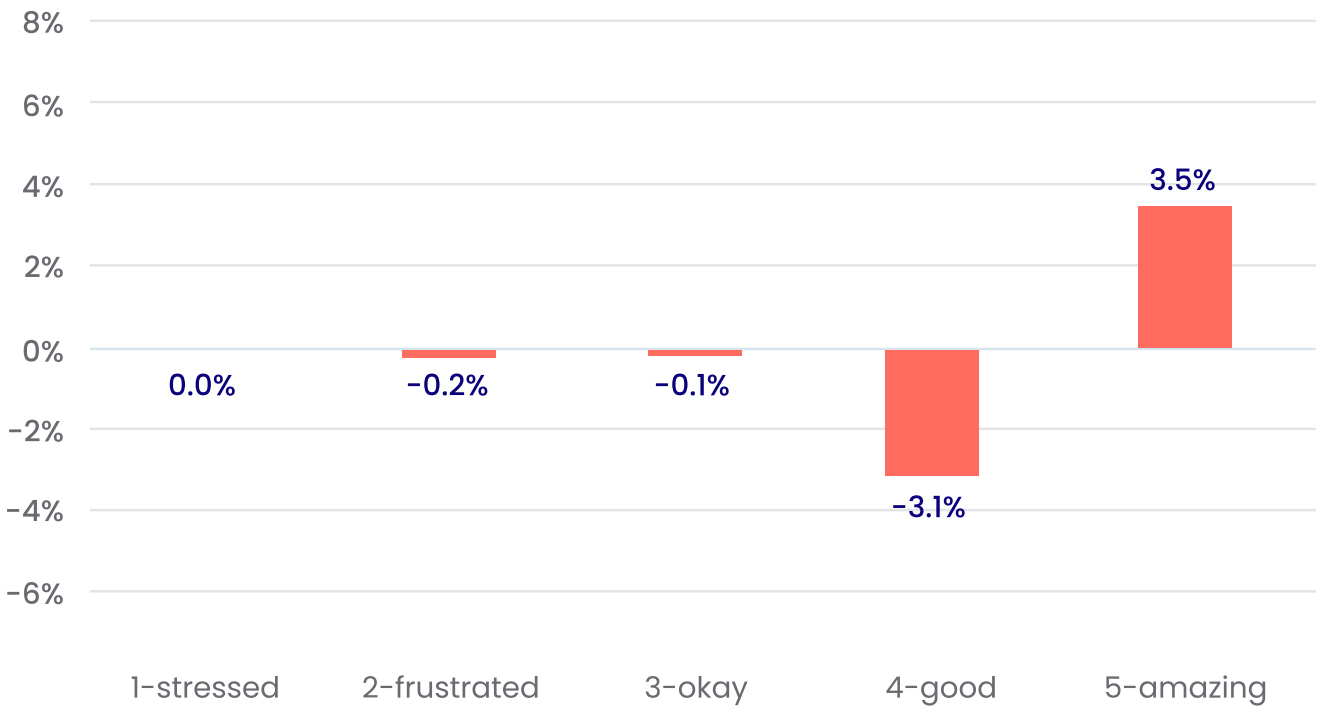
This pattern reflects differences in occupational distribution. Men remain more concentrated in higher-paid supervisory and kitchen roles, while women are more represented in customer-facing positions.

Worker sentiment and labour market conditions

Sentiment among hospitality shift workers improved through **2025**, suggesting that pressures from the earlier cost-of-living shock are beginning to ease.

Change in Deputy Shift Pulse Sentiment, Hospitality

Source: Deputy, 2025



The share of workers reporting negative sentiment categories such as “stressed” and “frustrated” declined slightly. At the same time, neutral and positive responses increased.

The most notable shift occurred in the share of workers reporting they feel “amazing,” which increased by around 3.5%. This suggests a gradual improvement in worker outlook across the sector.

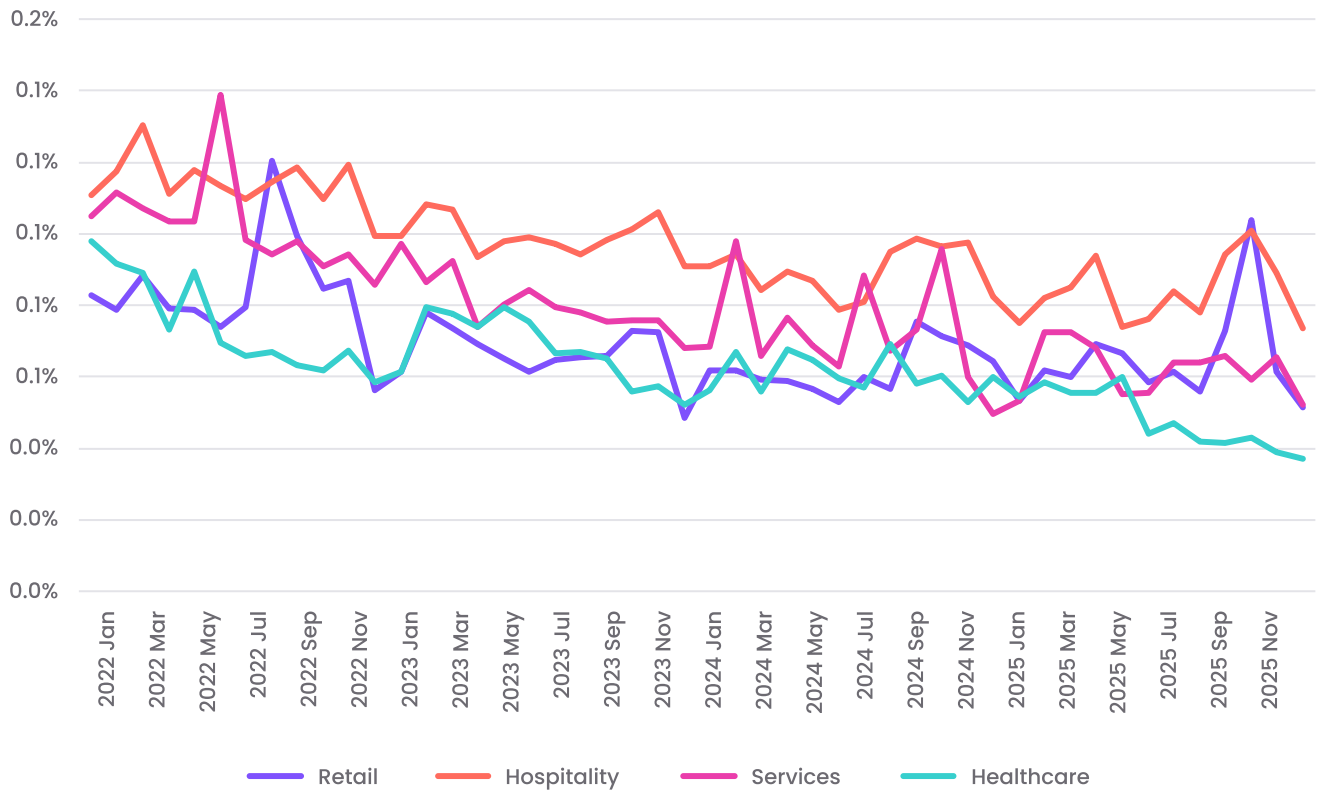
While financial pressures remain present, the data indicates that sentiment among hospitality workers has stabilised compared with the earlier stages of the cost-of-living crisis.

Hiring and workforce stability

Hiring demand in hospitality has softened gradually through **2024** and into **2025**.

Hiring Rates, 2022-2025

Source: Deputy, 2025



The decline has been steady rather than abrupt, indicating a cooling in recruitment activity following several years of rapid hiring after the pandemic.

This moderation does not necessarily reflect falling demand. Instead, it likely reflects businesses adjusting to tighter operating margins and stabilising workforce levels.

Many hospitality businesses appear to be shifting away from rapid hiring and toward maintaining existing staff and optimising rosters.

Termination rates across the sector have also moderated slightly through **2025**.

This suggests that the high levels of turnover seen during the immediate post-pandemic labour market are beginning to stabilise.

As hiring slows and staffing levels become more balanced, businesses appear to be relying less on frequent worker replacement and more on retaining experienced staff.

Together, these trends indicate a transition toward a more stable hospitality labour market after several years of volatility.

Hospitality outlook 2026

Demand in hospitality remains closely tied to household income. While easing inflation may provide some support, discretionary spending remains fragile in an environment of higher mortgage repayments.

Population growth continues to provide a baseline level of demand across the sector. At the same time, businesses are increasingly competing on value through strategies such as promotions, adjusted portion sizes and encouraging early-week trading.

Operating costs continue to place pressure on hospitality businesses. Higher rents, insurance costs, utilities and wages are pushing many venues toward tighter trading hours and leaner staffing models.

Operating costs continue to place pressure on hospitality businesses. Higher rents, insurance costs, utilities and wages are pushing many venues toward tighter trading hours and leaner staffing models.

These pressures are likely to lead many employers to slow labour demand and pause new hiring in the short term.

However, changing consumer behaviour may also influence employment patterns. Growing consumer activity during evening and late-night hours is expected to increase demand for hospitality workers in major capital city CBDs.

Future government investment and policy reforms may also support growth in night-time economies in several regional cities across New South Wales, potentially creating additional demand for shift-based labour.

Healthcare

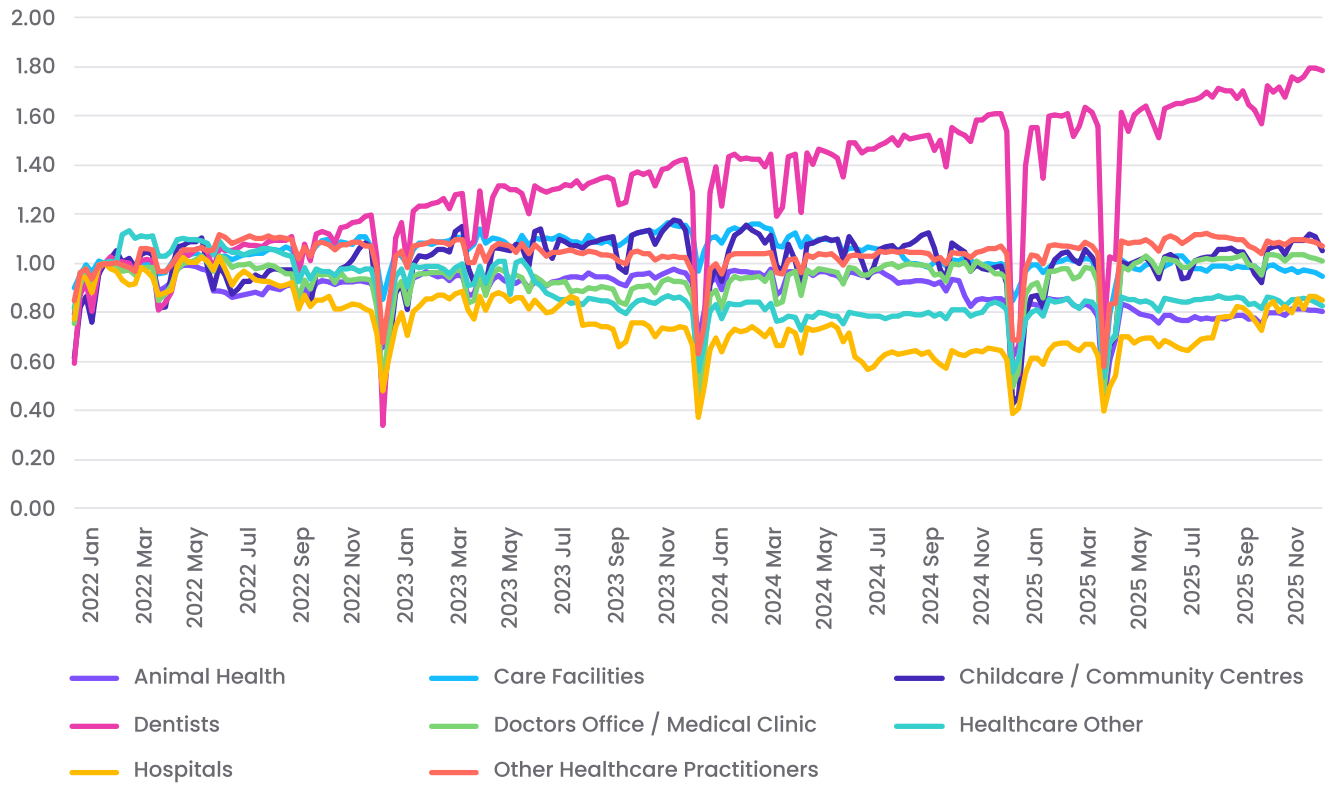
Industry Deep Dives

Healthcare activity and trends

Healthcare shift work continued to trend upward through **2024** and **2025**, reflecting sustained demand for health and care services.

Deputy Shift Work Index, All Industries

Source: Deputy, 2026



Hospitals show the weakest growth. Fiscal tightening within state health systems has led many governments to restructure health budgets, reduce reliance on contractors and pause some permanent hiring. These changes have slowed the expansion of hospital-based shift work.

In contrast, outpatient care centres, community health services and allied healthcare providers show stronger growth. These trends reflect a broader shift toward non-hospital models of care delivery.

Childcare and community-based care services have also expanded steadily. This highlights the growing overlap between healthcare provision and broader care support services.

Overall, healthcare continues to expand as a shift work sector. However, much of this growth is increasingly concentrated in community care, outpatient services and specialised providers rather than within hospitals.

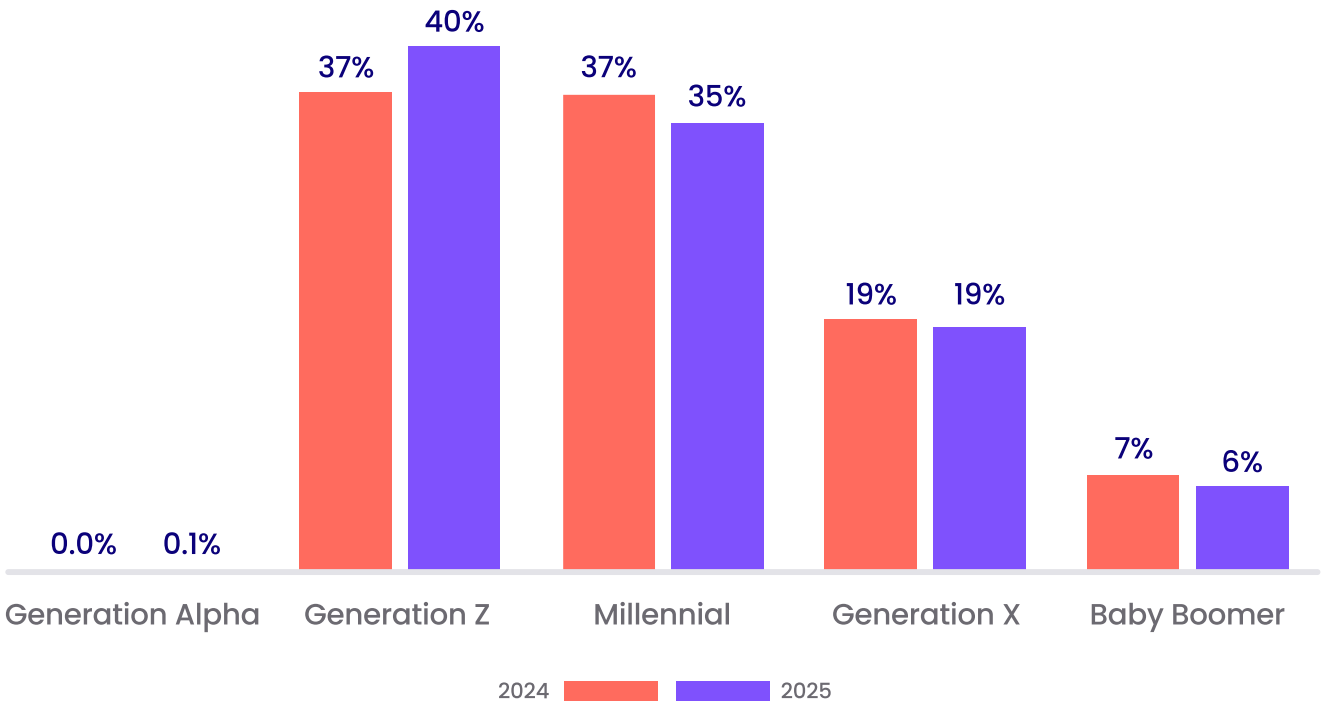
Generational composition of the healthcare workforce

The healthcare workforce is also undergoing significant generational change.

Gen Z now represents the largest cohort of healthcare shift workers, increasing from **37%** in **2024** to **40%** in **2025**. This growth reflects the continued entry of younger workers into frontline health and care roles.

Share of Shift Work by Generation, 2024 and 2025

Source: Deputy, 2025



Millennials remain a major component of the workforce but their share declined slightly from 37% to 35%. This shift is consistent with many Millennials progressing into leadership, supervisory and specialist positions.

Participation among older cohorts continues to decline. Baby Boomers decreased from **7%** to **6%** of the workforce, while Gen X participation remains relatively steady at around **19%**.

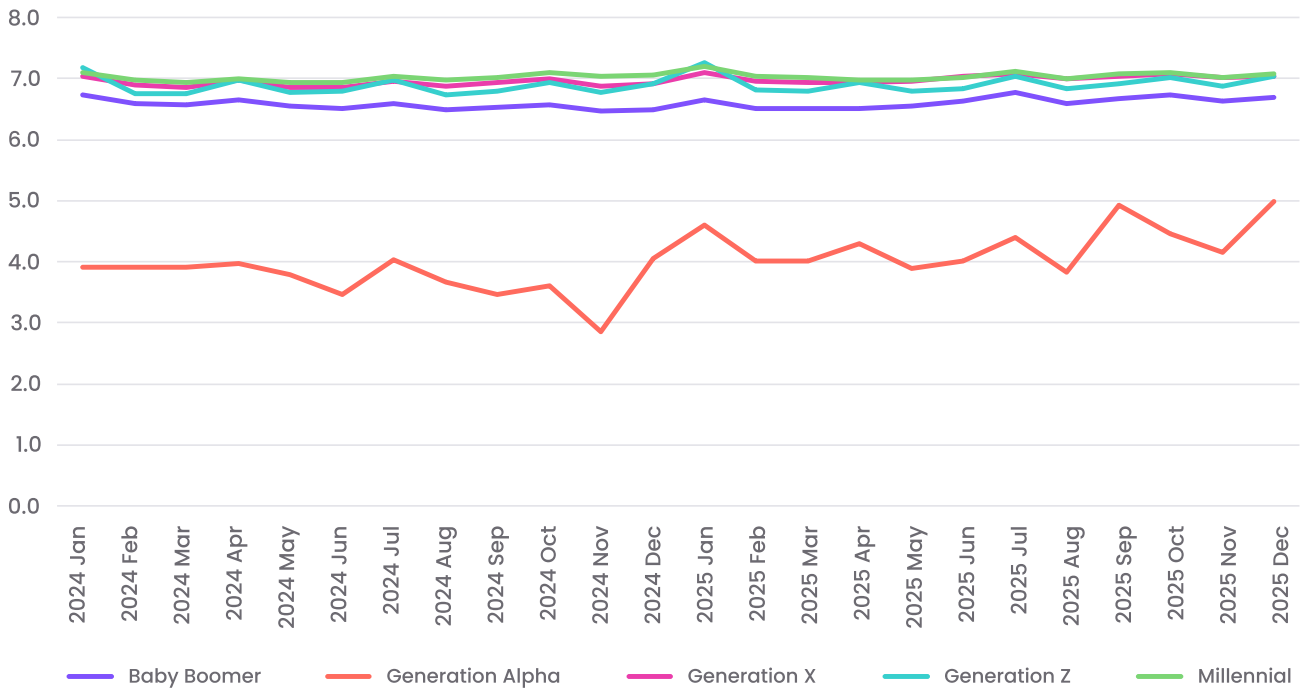
Together, these trends highlight a rapid generational transition within healthcare shift work. Gen Z is increasingly filling frontline roles as older workers gradually exit the workforce.

Micro-shifts and workforce flexibility

Deputy data indicates that micro-shift employment is increasing across healthcare roles, including within occupations that have traditionally relied on longer shifts.

Average Shift Length by Generation, Healthcare

Source: Deputy, 2025



Generation Alpha records the lowest average shift length at **5 hours** per shift. This suggests that shorter shifts are becoming an important entry point for this emerging workforce.

Baby Boomers and Gen Z workers also record relatively shorter average shift lengths compared with other generations.

Poly-workers provide further evidence of demand for flexible work arrangements. Workers who hold multiple roles often combine shorter shifts across employers, reflecting patterns similar to micro-shift employment.

Among Generation Alpha workers, average shift lengths continue to decline as many combine work with post-high school study or higher education environment. Shorter shifts allow these workers to balance education and employment as they enter the workforce.

For Gen Z and Baby Boomers, shorter shifts are also linked to caregiving responsibilities. Young parents and grandparents may be unable to commit to longer or more regular working hours, leading them to participate in micro-shift arrangements.

Female participation across healthcare roles

Healthcare recorded the largest increase in female participation across shift work industries, rising by **2.8%** between **2024** and **2025**.

This growth has been driven primarily by care and community-based services. The strongest increases were recorded in Childcare and Community Centres (+5%) and In-Home Care (+2%), reflecting continued expansion across the care economy.

Other healthcare-related services recorded more modest gains. Hospitals (**+1%**) and Animal Health (**+1%**) both showed steady increases, indicating slower but ongoing workforce growth within institutional healthcare settings.

In contrast, several specialised medical services recorded slight declines. Dentists (**-1%**) and Doctors' Offices and Medical Clinics (**-1%**) both showed small reductions, suggesting tighter hiring conditions across some private healthcare practices.

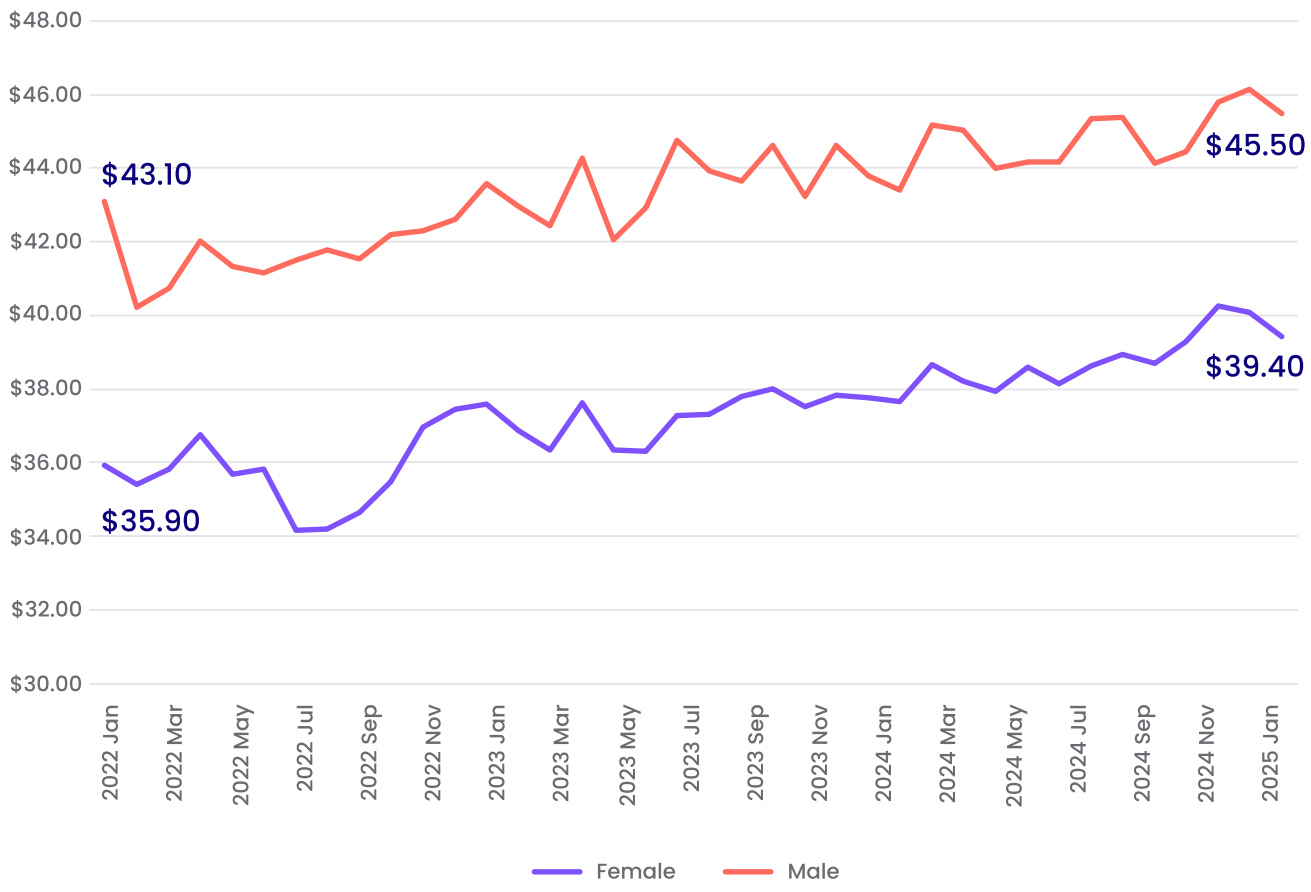
Overall, the data indicates that female participation in healthcare shift work continues to expand.

Wages and gender pay differences

Average hourly pay in healthcare has continued to rise for both men and women since 2022, although a clear gender pay gap remains across the sector.

Average Hourly Pay by Gender, Healthcare

Source: Deputy, 2025



Male hourly earnings increased from around **$43.10** in early **2022** to **$45.50** by early **2025**. Over the same period, female hourly pay rose from approximately **$35.90** to **$39.40**.

While wages have grown steadily for both groups, the gap between male and female earnings remains persistent.

This pattern reflects the distribution of roles across the healthcare workforce. Men remain more concentrated in higher-paid clinical, specialist and managerial positions across the sector.

Women, by contrast, are more heavily represented in nursing and support occupations. These roles form the backbone of healthcare service delivery but typically attract lower hourly pay.

Taken together, these trends indicate that occupational composition, rather than wage growth itself, continues to drive the gender pay gap in healthcare.

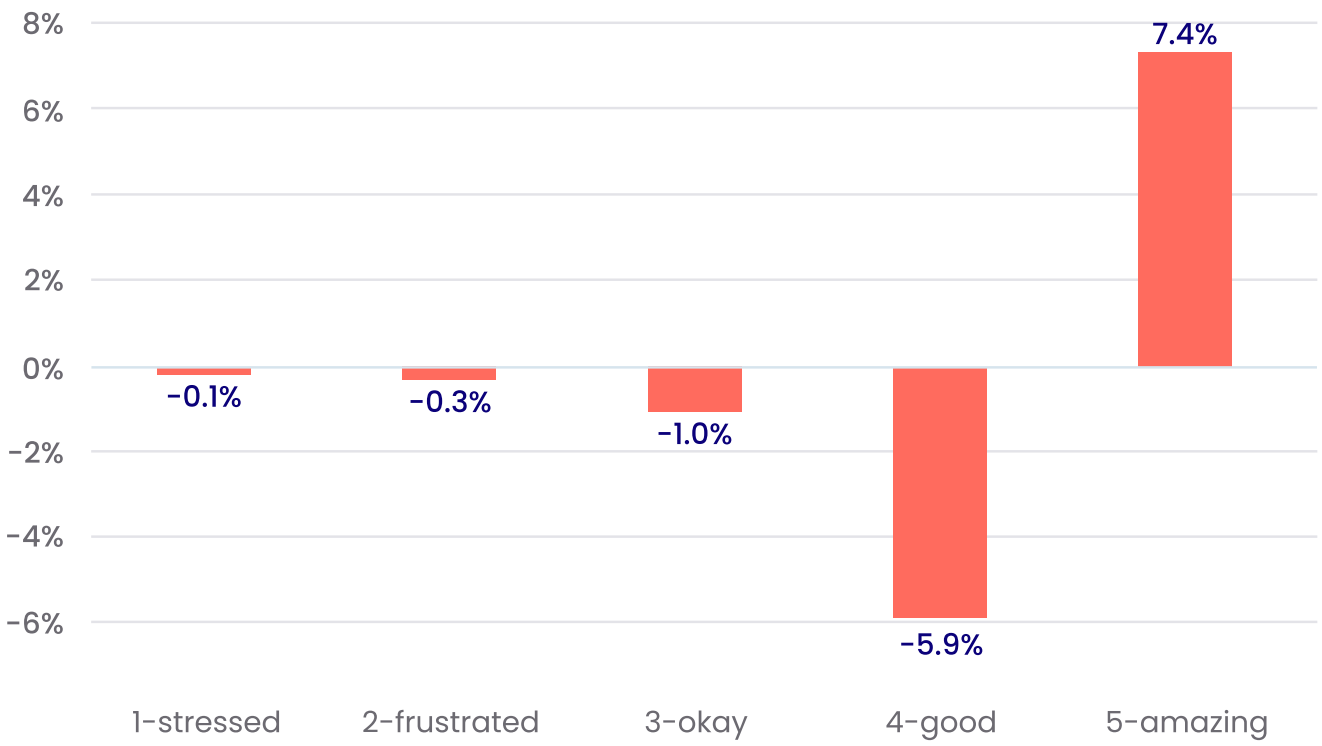
Shift worker sentiment

Shift worker sentiment improved through **2025**, suggesting that the most acute pressures from the earlier cost-of-living surge are beginning to ease.

Across industries, the share of workers reporting highly positive sentiment such as "amazing" increased. At the same time, the share reporting more negative or neutral responses such as "good" or "okay" declined.

Change in Deputy Shift Pulse Sentiment, Healthcare

Source: Deputy, 2025



Healthcare recorded the largest improvement in worker sentiment. The sector saw strong increases in positive responses alongside a sharp decline in negative sentiment.

Retail, hospitality and services also showed similar directional changes. These shifts suggest that confidence among shift workers is gradually recovering after several years of financial pressure.

Overall, the data indicates that labour market conditions for shift workers are stabilising, even as broader economic conditions remain challenging.

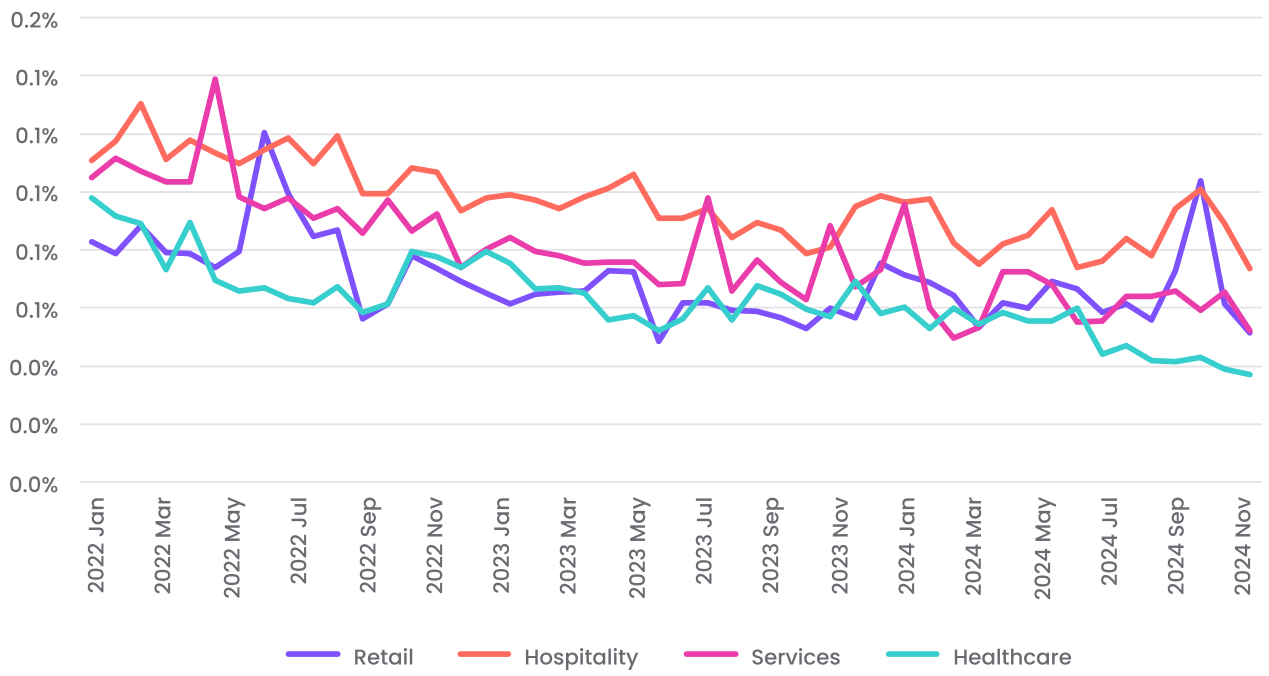
Hiring trends and workforce stability in healthcare

Hiring activity in healthcare has gradually moderated since **2023** following several years of strong workforce expansion.

The slowdown has been gradual rather than abrupt, suggesting a normalisation after the rapid hiring required during and immediately after the pandemic.

Hiring Rates, 2022-2025

Source: Deputy, 2025



Many healthcare organisations are now shifting from rapid workforce expansion toward stabilising staffing levels and strengthening workforce retention.

In some parts of the sector, hiring has also slowed as health systems and providers adjust to tighter fiscal conditions and funding constraints.

Termination rates across healthcare have remained relatively stable and have gradually declined through **2024** and **2025**.

This pattern suggests that the high levels of workforce churn experienced during the pandemic are beginning to ease.

As staffing shortages stabilise, healthcare employers appear to be placing greater emphasis on retaining experienced workers rather than continually replacing staff.

Lower termination rates also point to improving workforce stability across healthcare services. Together with moderating hiring activity, these trends suggest that the healthcare labour market is becoming more balanced after several years of disruption and workforce volatility.

Healthcare outlook 2026

Overall, the data indicates that the sector is transitioning from a phase of emergency workforce expansion toward a more stable and sustainable labour market environment.

Healthcare demand itself remains relatively stable due to Australia's ageing population. As a result, hiring activity in the sector tends to be less cyclical than in industries such as retail or hospitality.

However, the primary constraint facing the sector is workforce capacity rather than demand. Australia continues to face challenges in supporting growing healthcare needs with a sufficiently large and skilled workforce.

Policy settings may also influence labour supply in the near term. Federal constraints on international migration and international student placements are likely to place additional pressure on workforce availability in the short to medium term. Despite these challenges, several healthcare areas are expected to continue expanding.

Primary care, allied health and community health services are likely to grow as policymakers focus on improving access to care and reducing pressure on hospitals.

Measures to strengthen Medicare, including bulk-billing incentives and longer-term plans to expand access to bulk-billed GP visits, are expected to support greater utilisation of primary care services. This is likely to increase demand for rostering and shift coverage within these services.

Reforms in aged care are also shifting service delivery toward home and community-based settings. The introduction of the Support at Home program is expected to drive workforce reallocation within the sector.

Demand for in-home care services is likely to grow alongside increased need for qualified medical assistants and related support services such as catering and personal care.

Services

Industry Deep Dives

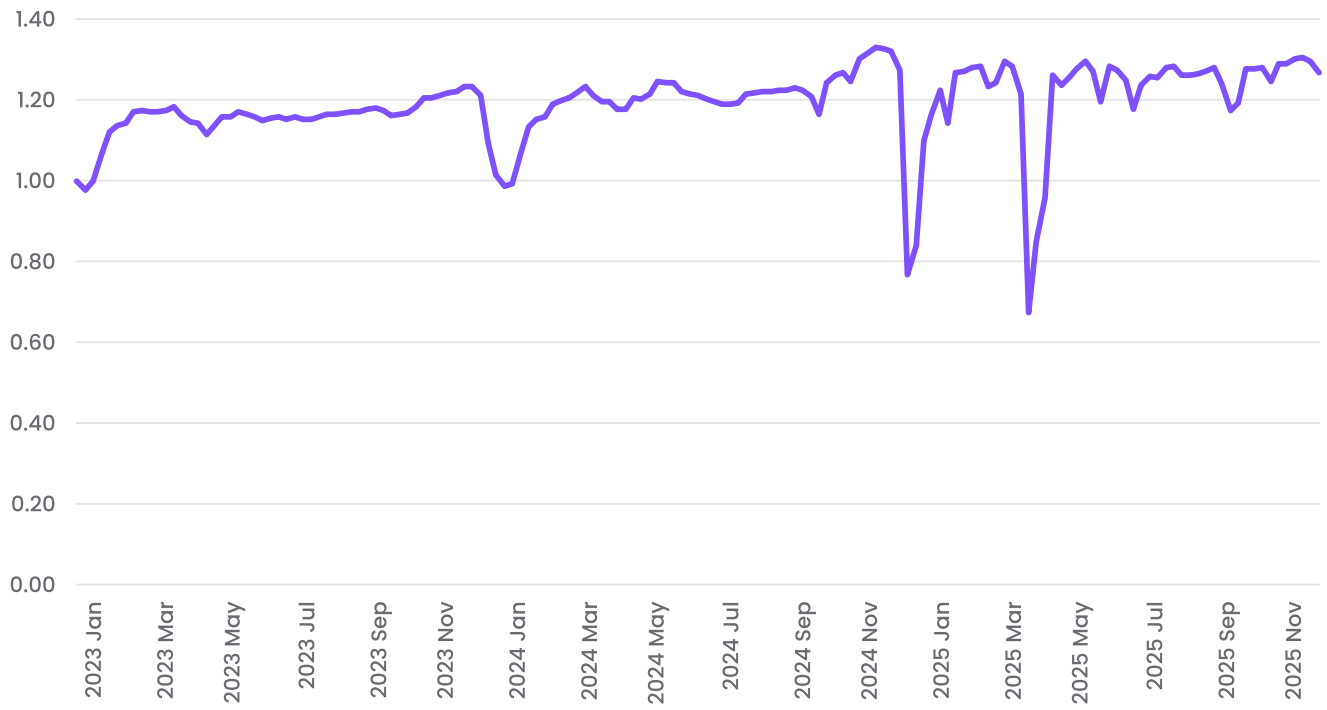
Sector activity and trends

Shift work activity within the services sector continued to grow modestly through **2024** and **2025**, despite ongoing cost-of-living pressures and tighter financial conditions.

The Deputy Shift Work Index for Services remains **22% above pre-2023 levels**, indicating sustained demand for shift-based labour across service industries.

Deputy Shift Work Index, Services

Source: Deputy, 2026



Although the sector experienced several short-term dips during early **2025**, activity recovered quickly. This suggests that demand remains resilient even as broader economic conditions fluctuate.

Much of this resilience reflects the essential nature of many service roles. Cleaning, security, care support and personal services continue to require in-person labour and ongoing operational coverage.

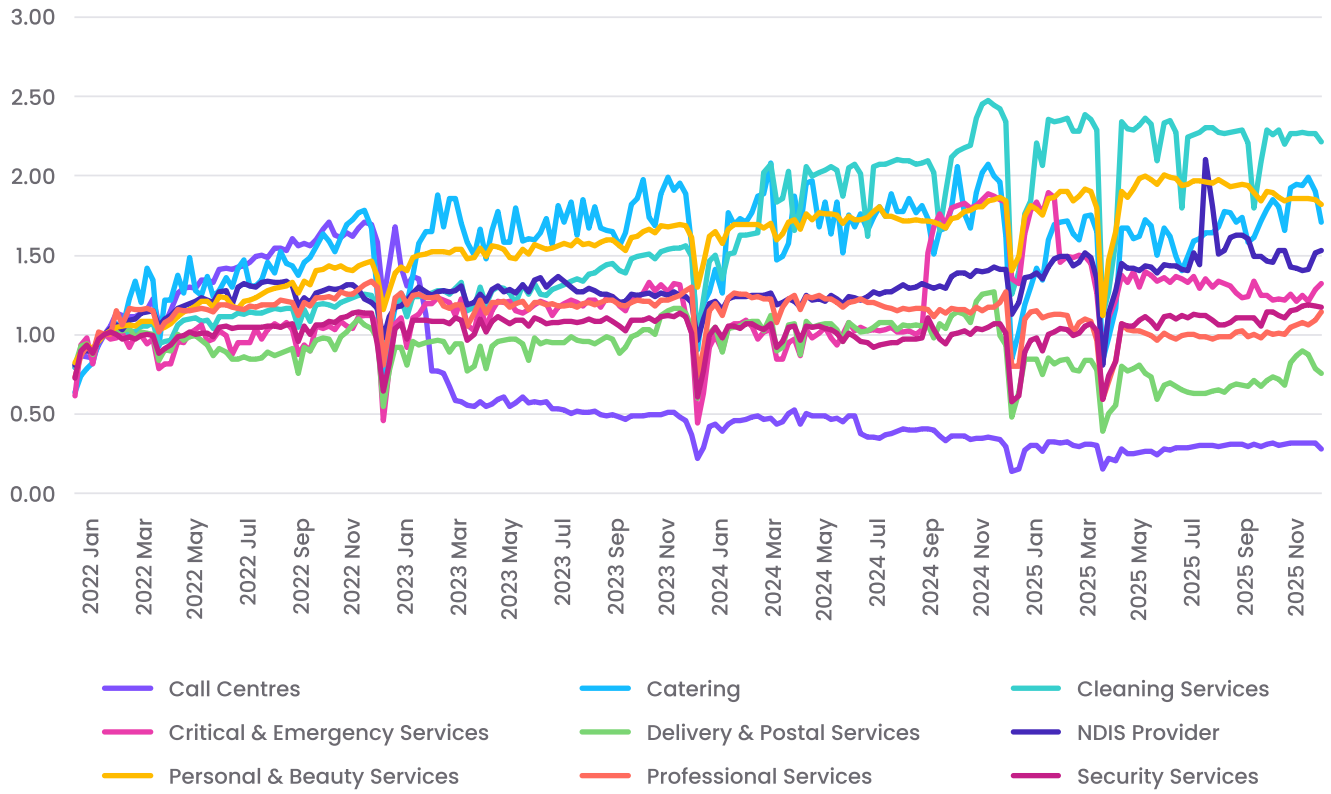
Overall, the trend indicates that services remain one of the most stable sources of shift work employment. Activity has continued to expand gradually alongside population growth and ongoing business activity.

Shift work activity across services has expanded steadily since **2022**, reflecting consistent demand for labour across both operational and consumer-facing service industries.

The strongest growth has occurred in cleaning services, catering, and personal and beauty services. Activity in these areas has increased significantly as businesses and households resumed normal operating patterns following pandemic disruptions.

Deputy Shift Work Index, Services

Source: Deputy, 2026



Security services and professional services have also shown stable upward trends, reflecting steady demand from commercial and institutional clients.

In contrast, call centres and delivery and postal services have experienced declining activity levels. This suggests that demand for logistics and remote support services is normalising. In the case of call centres, the increased use of AI-driven chatbots is likely contributing to declining job opportunities within the sector.

Despite these shifts across subsectors, the services sector overall continues to demonstrate broad-based expansion in shift work, supported by demand for outsourced, facility-based and personal services.

Generational transition

The services workforce is also undergoing a clear generational transition. Generation Z recorded the largest increase in participation. Their share of shift work rose from **42%** in **2024** to **45%** in **2025**, reflecting their growing presence in entry-level service roles.

At the same time, the share of shift work performed by Millennials declined slightly from **33%** to **31%**. This shift suggests that many workers in this cohort are progressing into supervisory or managerial roles rather than remaining in frontline positions.

Participation among older generations continues to decline. Generation X now represents **17%** of the workforce, while Baby Boomers account for **6%**, reflecting the gradual exit of older workers from shift-based industries.

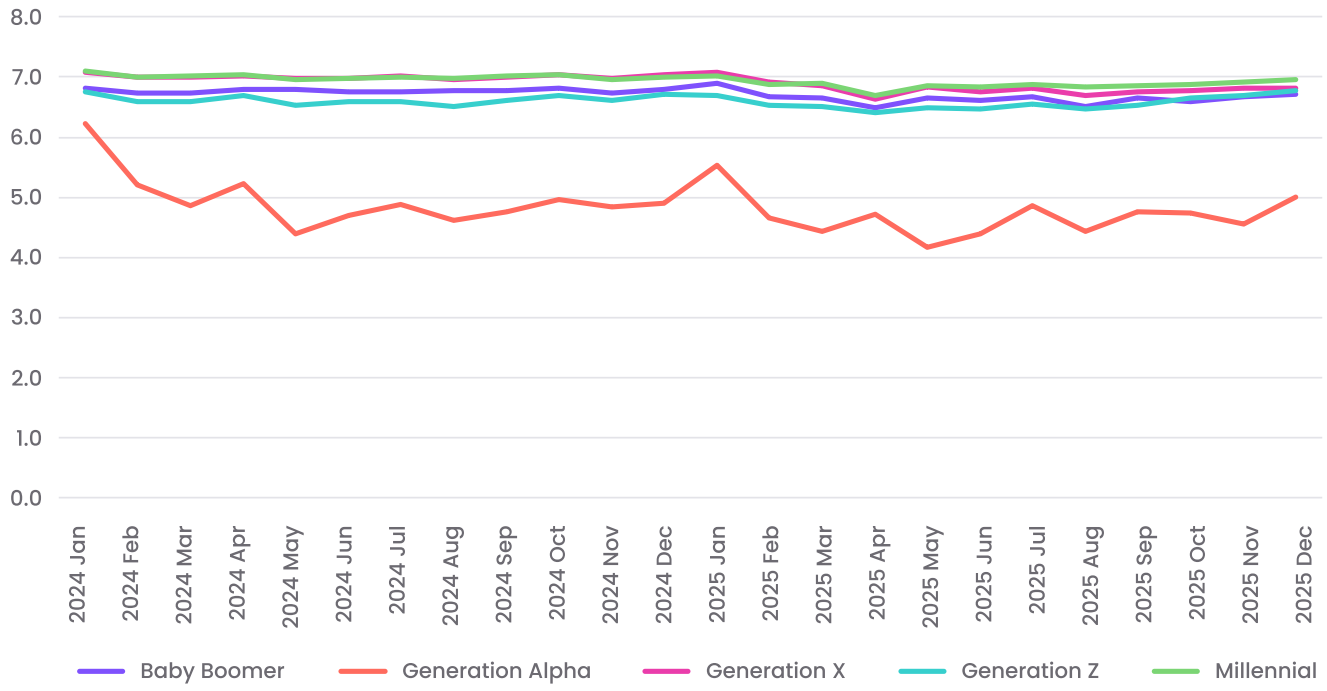
Overall, the data highlights an ongoing generational transition within service sector workforces. Younger workers are increasingly filling frontline roles while Millennials move into leadership and coordination positions.

Micro-shifts and changing work patterns

Deputy data indicates that micro-shift employment is becoming more common across service sector roles, including within occupations that have traditionally relied on longer working hours.

Average Shift Length by Generation, Services

Source: Deputy, 2025



Generation Alpha records the lowest average shift length at five hours per shift, suggesting that shorter shifts are becoming an important entry point for this emerging workforce.

Baby Boomers and Gen Z workers also record relatively shorter average shift lengths compared with other generations.

Poly-workers provide further evidence of demand for flexible work arrangements. Workers holding multiple roles often combine shorter shifts across different employers, reflecting patterns similar to micro-shift employment.

Among Generation Alpha workers, average shift lengths continue to decline as many combine work with post-high school study or higher education environment. Shorter shifts allow these workers to balance employment with education as they enter the labour market.

For Gen Z and Baby Boomers, shorter shifts are also linked to caregiving responsibilities. Young parents and grandparents may be unable to commit to longer or more regular working hours, leading them to participate in micro-shift arrangements.

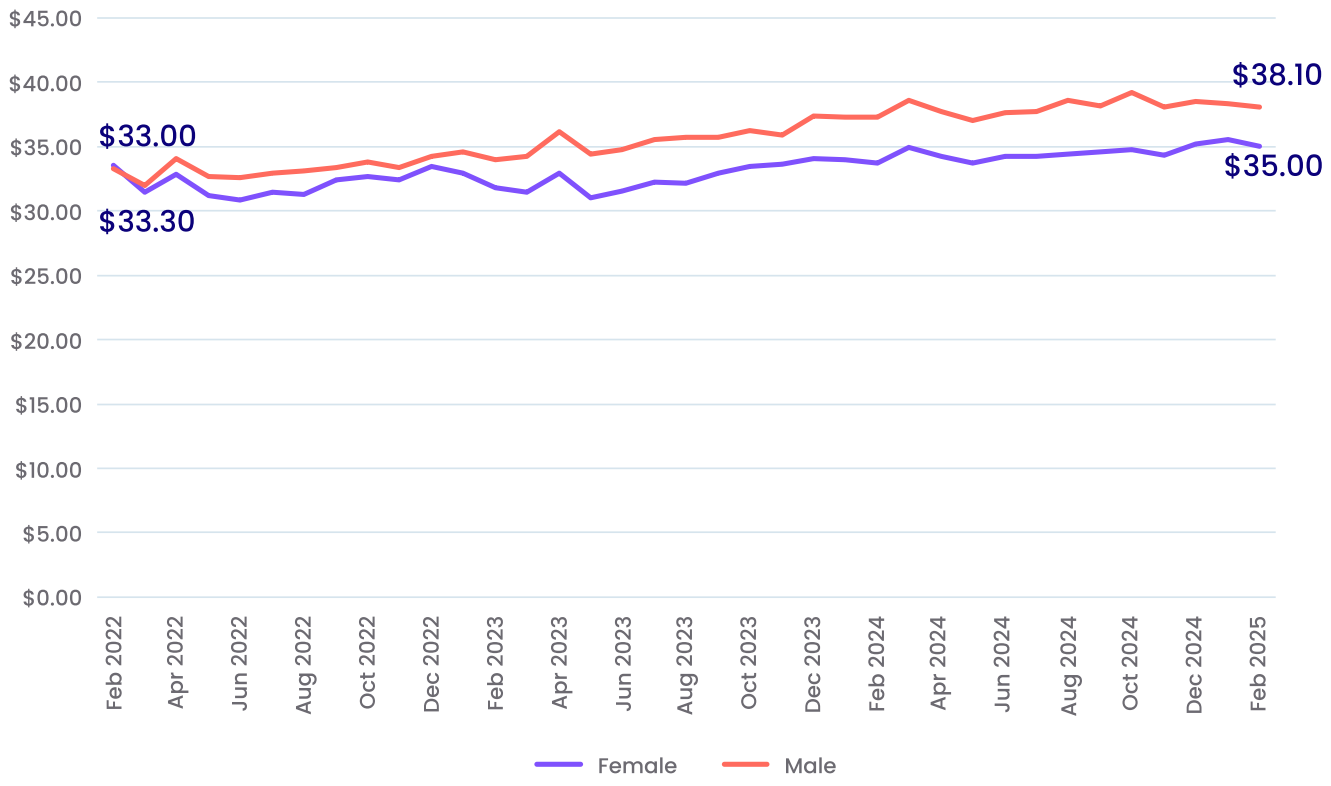
Wages and gender pay differences in the services sector

Average hourly wages in the services sector have increased steadily since **2022** for both male and female workers.

Female hourly wages rose from approximately **$33.30** to around **$35.00**, while male hourly wages increased from roughly **$33.00** to about **$38.10** by early **2025**.

Average Hourly Pay by Gender, Services

Source: Deputy, 2025



Despite rising wages across the sector, a gender pay gap remains and has widened over the period, with male workers earning higher hourly pay on average.

This gap reflects the occupational composition of the services workforce. Men are more concentrated in higher-paid technical, security and specialised roles, while women are more heavily represented in personal, care and customer-facing service roles.

As a result, wage growth across the sector has not yet translated into a narrowing of the gender pay gap.

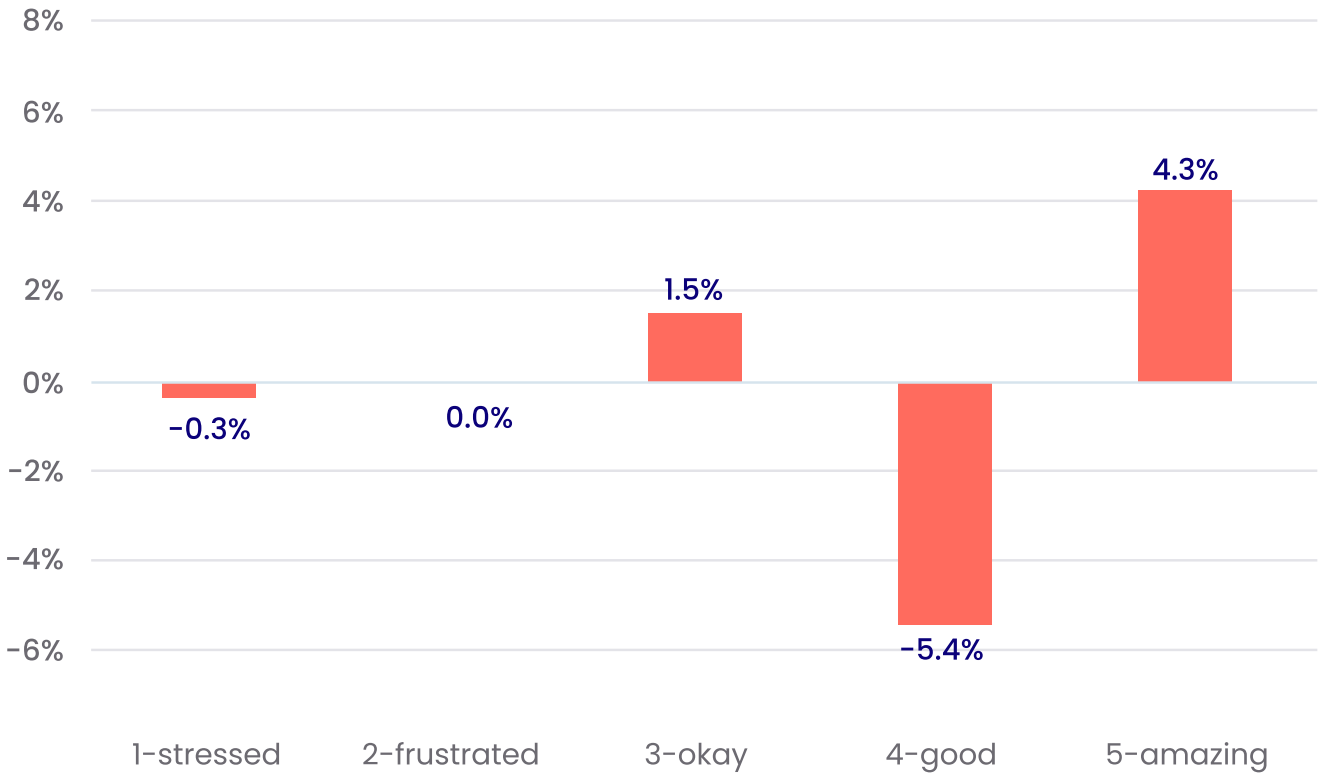
Worker sentiment and labour market conditions

Sentiment among shift workers in the services sector improved through **2025**, indicating that pressure from the earlier cost-of-living surge has begun to ease.

The share of workers reporting highly positive sentiment such as "amazing" increased to around **4.3%**, while more negative responses declined.

Average Hourly Pay by Gender, Services

Source: Deputy, 2025



At the same time, responses in the "okay" and "good" categories shifted, suggesting improving confidence in working conditions.

These patterns likely reflect strong labour demand, rising wages and improving workforce stability across many service roles.

Overall, the data suggests that service-sector workers are beginning to recover from the financial pressures experienced during the peak of the cost-of-living crisis.

Hiring and workforce stability

Hiring activity across the services sector has moderated gradually since **2023** following a period of strong labour demand after the pandemic.

The decline has been steady rather than abrupt, indicating a cooling in recruitment activity rather than a sharp contraction in labour demand.

Many service businesses appear to be adjusting to tighter operating margins and stabilising workforce levels after several years of rapid hiring.

Rather than expanding headcount aggressively, employers are increasingly focusing on maintaining existing staff and optimising shift coverage.

Termination rates across the services sector have remained broadly stable or slightly declining through **2024** and **2025**.

This suggests that the high levels of workforce churn experienced immediately after the pandemic are gradually easing across many service industries.

As hiring slows and labour supply improves, businesses appear to be retaining workers for longer rather than relying on frequent worker replacement.

Together, these trends suggest that the services labour market is moving toward greater stability and a more balanced pace of workforce growth after several years of volatility.

Services outlook 2026

Services spending is typically more stable than spending on goods. However, households are increasingly cutting back on discretionary services such as beauty and some personal services while continuing to maintain essential services.

Business-facing services, including professional and contracted services, continue to track the broader economic outlook, with steady demand but heightened attention to cost control and procurement.

Cost pressures remain present across the sector. Rising wages and increasing compliance obligations are pushing many operators to pursue productivity improvements through tighter shift structures, more efficient task allocation and more predictable workforce coverage.

Services employers are also particularly exposed to the industrial relations compliance environment. Award interpretation, casual employment rules and record-keeping requirements mean that accurate scheduling and payroll management remain critical operational priorities.

Within human-services segments of the broader services sector, including NDIS providers, policy reform remains a key factor shaping workforce conditions and service delivery.

The NDIS reform agenda is reshaping provider economics and service models, including changes to pricing, eligibility and safeguards. These changes are likely to influence workforce stability and the mix of services delivered across the sector.

While reforms are still being developed, demand for NDIS services is expected to continue growing through **2026**.

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