

more
than
money



NAB Behavioural Insights

The Changing Workplace

Q2 2023 Update

Job switching & intentions, employee satisfaction, working from home & perceptions of collaboration & productivity.

Key findings

- **A sizeable share of the adult working population continues to change jobs. 1 in 4 workers have switched jobs in the past year (1 in 10 in the past 3 months alone - Q2 2023).**
- **Job change remains much more fluid among younger age groups with almost 1 in 2 workers aged between 18-29 changing jobs within the past 12 months. Job switching was lowest among workers in Wholesale Trade and Finance & Insurance, where only 1 in 8 have changed job in the past year.**
- **While cost of living fears may encourage workers to stay with their current employer and seek greater job security, 2 in 3 Australians who changed job, moved to a different organisation, rising to 8 in 10 among the 18-29 year old group. With labour shortages continuing in a number of industry sectors, there is an opportunity for employers to better understand why workers are leaving and increase retention.**
- **While there is a big difference between considering leaving a job and actually quitting, a large number of Australians are thinking about leaving their current job. 1 in 4 workers are considering changing jobs and a further 4 in 10 are actively keeping up to date with potential opportunities. The number considering leaving their current job is highest among IT & tech workers and general unskilled workers.**
- **Salary is becoming a more important motivation to look elsewhere. On balance, almost 1 in 3 workers that changed jobs in the past 12 months are earning more money. And, 1 in 3 Australians intend to ask for a pay rise, with 2 in 3 of these workers confident they will get one.**
- **Job satisfaction is typically linked to employee retention, customer loyalty and financial outcomes for companies. Australians report quite high levels of satisfaction with both their current job and their current employer with 1 in 3 workers are “very satisfied” with their job (8+ pts out of 10) and over 4 in 10 with their employer. But while 2 in 3 workers aged over 65 are very satisfied, only 1 in 3 are in the 18-29 group.**
- **One of the main concerns for companies going into the pandemic was how remote work would impact teamwork and efficiency. From an employee perspective, nearly 9 in 10 workers are happy with the amount of time they interact with colleagues.**
- **And, with increasing awareness around the importance of work-life balance for mental and physical health, 2 in 3 Australians feel they have a good work-life balance.**
- **The impact of the pandemic on work has been profound. On average, Australians are still spending one-third of their work week at home and ideally would like to spend half of their time working from home. Even among younger workers aged 18-29 the desire to spend more time at home is significant (24% of time currently vs. 55% ideal). By industry, workers in the Finance & Insurance sector are the only group currently working close to their ideal amount of time at home (60% of the work week currently vs. 65% ideally).**
- **There remains considerable debate as to whether remote workers are less productive. Overall, 1 in 4 Australians do not believe they are as productive at home as in the workplace, and almost 1 in 5 are unsure. The highest share of workers who think they are as productive at home are in Property Services and Finance & Insurance (where 8 in 10 believe they are as productive).**

Summary

Around 1 in 4 adult workers switched jobs in the past year - 1 in 10 (9%) in the past 3 months. Around 1 in 7 (14%) switched with the past 1-2 years, and nearly 6 in 10 more than 2 years ago. Job change remains much more fluid in younger age groups with almost 1 in 2 changing within the past year in the 18-29 group, falling in each successive age group to just over 1 in 6 in the over 65 group. By profession, 1 in 3 'other', general unskilled, sales, community & personal services workers and professionals changed jobs in the past year, compared to less than 1 in 5 other IT/tech workers. By industry, it ranged from 1 in 2 in Agribusiness to around 1 in 8 in Wholesale Trade and Finance & Insurance.

For the first time, we asked Australians that changed jobs if this change was within the same organisation or a different organisation. **1 in 3 changed within the same organisation, and 2 in 3 (67%) went to a different organisation.** Just over 4 in 10 in the 30-49 age group stayed in the same organisation, compared to 3 in 10 in the 50-64 group and 2 in 10 in the 18-29 group. 8 in 10 in the 18-29 group went to a different organisation, compared to around 6 in 10 in the 30-49 group and 7 in 10 in the 50-64 group. More men changed jobs in the same organisation (36% vs. 31%), but more women to a different organisation (69% vs. 64%). More full time workers stayed in the same organisation than part timers (39% vs. 21%), but more part timers went to a different organisation (79% vs. 61%).

An unchanged 1 in 4 workers considered changing jobs in Q2. 4 in 10 did not but stayed up to date with potential opportunities, and 3 in 10 had no intention of changing and weren't keeping up with opportunities. The number looking to change jobs was unchanged for full time workers (27%) but fell for part timers (19% vs. 24%). By age, it was highest in the 18-29 (29%) and 30-49 (27%) groups. It was much lower in the 50-64 (18%) and over 65 (13%) groups. The number considering leaving was highest for other IT & tech workers (33%) and general unskilled workers (31%), and lowest for labourers (16%) and clerical & admin workers (17%). It was highest in the Telecoms (35%), Construction (33%), Hospitality (32%), Manufacturing (31%) and Transport & Storage (30%) sectors, and lowest in Wholesale Trade (10%), Government (11%), Property Services (12%) and Recreational & Personal Services (13%).

Australian workers reported "quite" high levels of satisfaction with both their current job (6.7 pts out of 10) and with their current employer (6.6 pts) new research shows. Overall, 1 in 3 were also "very satisfied" with their current job (8+ pts), but over 4 in 10 with their current employer. Around 1 in 8 were not very satisfied with either their current job or employer (less than 3 pts). The number of workers very satisfied with their job ranged from 65% in the over 65 age group to 34% in the 18-29 group, by profession from 55% for other IT/tech workers to 20% for digital & data workers, and by industry from 56% in Property Services and Government to 24% in Education. Workers very satisfied with their current employer ranged from 56% in the over 65 age group to 32% in the 18-29 group. It was higher for men than women (43% vs. 35%), for full time workers than part timers (44% vs. 38%) and ranged from 57% for other IT/tech workers to 19% for digital & data workers, and 63% in the Government sector to 31% in Education.

Nearly 9 in 10 Australians are happy with the amount of time they interact with colleagues, around 6 in 10 believe they are as productive at home as in the office and 2 in 3 feel they have a good work-life balance new research reveal. Most Australian workers were happy with the amount of time interacting with colleagues in all key groups - ranging from over 9 in 10 in the Wholesale Trade, Businesses Services, and Recreational & Personal Services sectors to 3 in 4 general unskilled workers. In terms of productivity, around 6 in 10 workers aged 30 and over said they were as productive at home as in the office, but 5 in 10 in the 18-29 age group did. More full time workers agreed they were as productive than part-time workers (61% vs. 54%). The survey also found a strong relationship having a good work-life balance and age - it increased as workers got older - from 57% in the 18-29 group rising in each age group to 85% in the over 65 group. More men felt they have a good work-life balance than women (71% vs. 60%), as did full time workers compared than part timers (70% vs. 64%). By role, it ranged from 77% for clerical & admin workers to just 34% for machinery operators and drivers, and from 85% in the Wholesale Trade and Agribusiness sectors to 55% in Telecoms.

On balance, 30% of workers that changed jobs in the last 12 months reported they were earning more (33% in Q2). An unchanged 39% of full time workers reported were earning more, but the number of part timers earning more fell (12% vs. 18%). By gender, the number of men earning more fell quite sharply (30% vs. 39%), but it rose for women (31% vs. +26%). By age, it was highest and increased in the 30-49 group (34% vs. 27%). It fell noticeably in the 18-29 group (32% vs. 43%) and halved in the 50-64 age group (10% vs. 21%).

An unchanged 1 in 3 (34%) workers intended to ask for a pay rise in Q2. Full time workers were twice more likely to seek a pay rise than part-timers (40% vs. 19%), with twice as many under 50 (4 in 10) also planning to ask than the 50-64 group (21%). The gap between men and women narrowed, with less men planning to ask (36% vs. 39%), and more women planning to (32% vs. 29%). More managers planned to ask for a rise than any other profession (43%), followed by machinery operators & drivers (41%), professionals (40%) and digital & data workers (39%). The lowest number intending to seek a pay rise were general unskilled and clerical & admin workers (20%).

Expectations for getting a pay rise by those intending to ask remains quite high - 2 in 3 expect to get a raise. Hopes were unchanged for full time workers (65%) but rose solidly for part timers and now broadly on par with full time workers (62%). An unchanged 2 in 3 in the 30-49 and 18-29 age groups expect a pay rise, and they were joined by a similar number in the 50-64 group (63%). More women now expect to get a pay rise than men (65% vs. 63%). Around 3 in 4 professionals, 'other' workers and general unskilled workers expect a pay rise. Around 2 in 3 sales workers, managers (64%) and labourers (63%) also expect a rise, but only 1 in 4 machinery operators & drivers, and 1 in 3 digital & data workers.

On average, workers spent one-third (32%) of the week working from home in Q2 - from 38% when we first started tracking this data in Q1 2022. The amount of time working from home in Q2 was largely unchanged for full (35%) and part time workers (26%). Full time workers are now spending much less time working from than in Q1 2022 when this data was first compiled (42%), but part timers only slightly less (28%). Workers in NSW spent most time at home (38% vs. 40% in Q1), followed by VIC (unchanged at 34%), QLD (33% vs. 28%) and ACT (32% vs. 41%). Time spent working at home in Q2 was much lower and dipped in TAS (21% vs. 30%), WA (20% vs. 27%) and SA (20% vs. 24%). All states report now working less from home than in Q1 2022. The amount of time working from home ranged from 39% in the 30-49 group to 24% in the 18-29 group, with the over 65s the only group to report spending more time working from home in Q2 (32% vs. 28%).

Other IT/tech (63%) and digital & data workers (51%) spent the most time working from home in Q2, followed by professionals and managers (38%) and clerical & admin workers (35%). Trades workers (10%) and machinery operators & drivers (12%) spent the least. Time spent working from home was highest in the Telecoms (66%), Finance & Insurance (60%) and Business Services (55%) sectors and lowest in Accommodation & Hospitality (13%), Health Services (19%) and Recreational & Personal Services (20% vs. 25%). We also noted a sharp increase in time spent working from home in Education (24% vs. 8%) and Government (31% vs. 20%) relative to the same time last year.

Australian workers ideally still want to spend half the week working from home (49%). The ideal work week was unchanged for full time (50%) and part time workers (44%). Workers in the ACT and NSW (54%) want to spend most time working from home, followed by VIC and QLD (48%), TAS (47%), SA (44%) and WA (39%). Interestingly, more people now prefer to spend more time working from home than at the same time last year in the ACT (54% vs. 48%), NSW (53% vs. 48%) and QLD (48% vs. 46%), but less in VIC (48% vs. 54%), TAS (47% vs. 37%) and WA (39% vs. 46%).

By profession, digital & data (73%) and other IT/tech workers (66%) still prefer to spend most time working from home, followed by clerical & admin workers and professionals (53%), and managers (50%). Trades workers (27%) and labourers (32%) want to spend the least. By industry, Telecoms workers now want to spend most time working from home (74%), followed by Business Services (67%) and Finance & Insurance (65%). Workers in Utilities (57%), Government (55%), Property Services (52%) and Manufacturing (50%) also want to spend half their week or slightly more working from home.

Australian workers did not work from home as much as they would ideally like to in any monitored demographic group in Q2 - apart from the over 65 age group, other IT/tech workers and in the Finance & Insurance sector.

Both full (35% currently vs. 50% ideally) and part time (26% vs. 44%) workers reported spending much less time working from home in Q2 than they ideally would like, as did men (34% vs. 50%) and women (31% vs. 47%). The over 65 age group was to only group that spent the same amount of time working from home in Q2 that they ideally wanted to work from home (32%). All other age groups spent much less time working from home than they would like, with the gap around twice as large in the 18-29 age group (24% vs. 55%) than in other age groups.

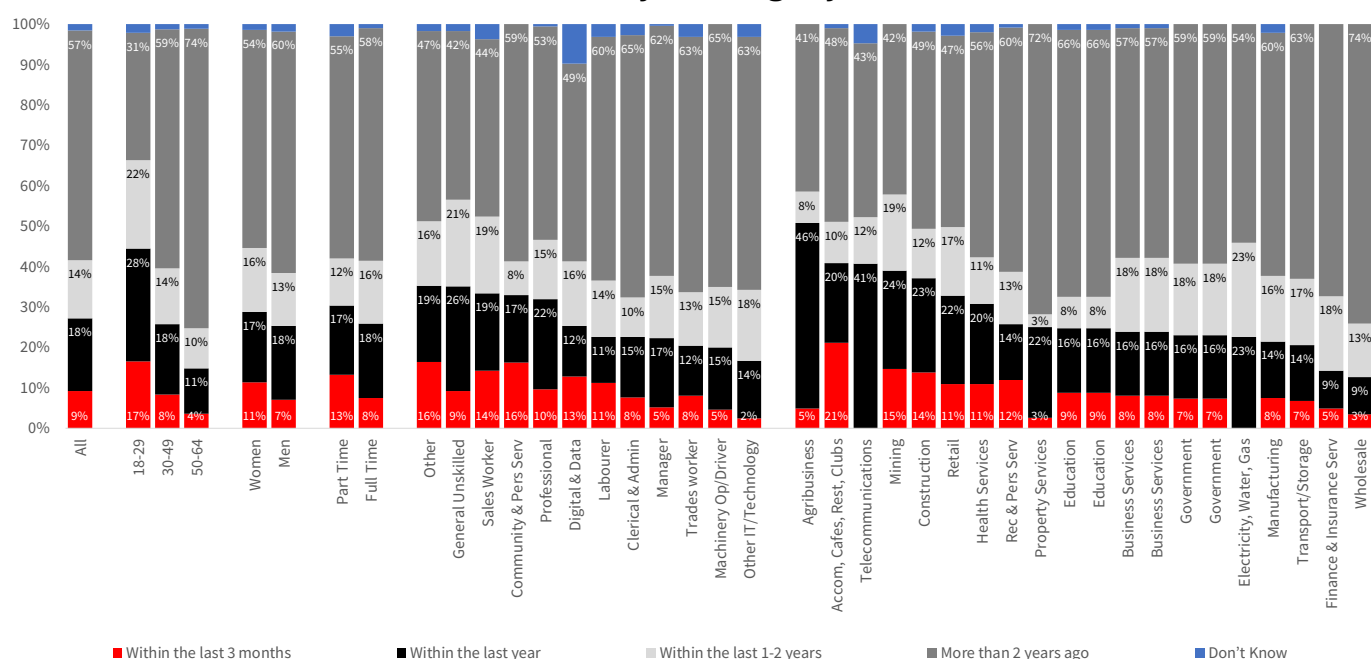
The average amount of time workers spent working from home in a typical week fell well short of the ideal for workers in all states. In Q2, the gap between current and ideal conditions was biggest in TAS (21% vs. 47%), SA (20% vs. 44%) and the ACT (32% vs. 54%). It was narrowest in VIC (34% vs. 48%) and QLD (33% vs. 48%). Workers in all professions would ideally spend much more time working from home than they did in Q2, except other IT/tech workers (63% vs. 66%). By industry, workers in the Finance & Insurance sector were the only group currently working close to their ideal amount of time at home (60% vs. 65%).

Changing jobs

Surveyed Australians in full or part time employment were asked when they last changed jobs. Over 1 in 4 (27%) workers aged over 18 reported they switched within the past year - specifically just under 1 in 5 (18%) within the past year and around 1 in 10 (9%) within the past 3 months. A further 1 in 7 (14%) said they switched with the past 1-2 years. Nearly 6 in 10 (57%) however changed jobs more than 2 years ago.

Job change remains much more fluid in younger age groups with almost 1 in 2 (45%) changing jobs within the past year in the 18-29 group, falling in each consecutive age group to just 16% in the over 65 age group. Slightly more women (28%) changed jobs over this period than men (26%). More part time workers (30%) also changed jobs over the past year than did full time workers (26%). By profession, around 1 in 3 'other' workers and general unskilled workers (35%), sales workers (33%), community & personal services workers (33%) and professionals (32%) changed jobs within the last year, compared to less than 1 in 5 other IT/tech workers (17%). By industry, the number of people who changed jobs in the last year ranged from around 1 in 2 in Agribusiness (51%) to around 1 in 8 in Wholesale Trade (13%) and Finance & Insurance (14%).

Last time you changed jobs



For the first time, Australians that had changed jobs were asked if this change was within the same organisation or to a different organisation. Our survey results show 1 in 3 (33%) changed their job within the same organisation, and 2 in 3 (67%) went to a different organisation.

By age, over 4 in 10 (43%) workers in the 30-49 group changed jobs within the same organisation, compared to 3 (30%) in 10 in the 50-64 group and 2 in 10 (20%) in the 18-24 group. Around 8 in 10 (80%) workers in the 18-29 group went to a different organisation, compared to around 6 in 10 (57%) in the 30-49 age group and 7 in 10 (70%) in the 50-64 group.

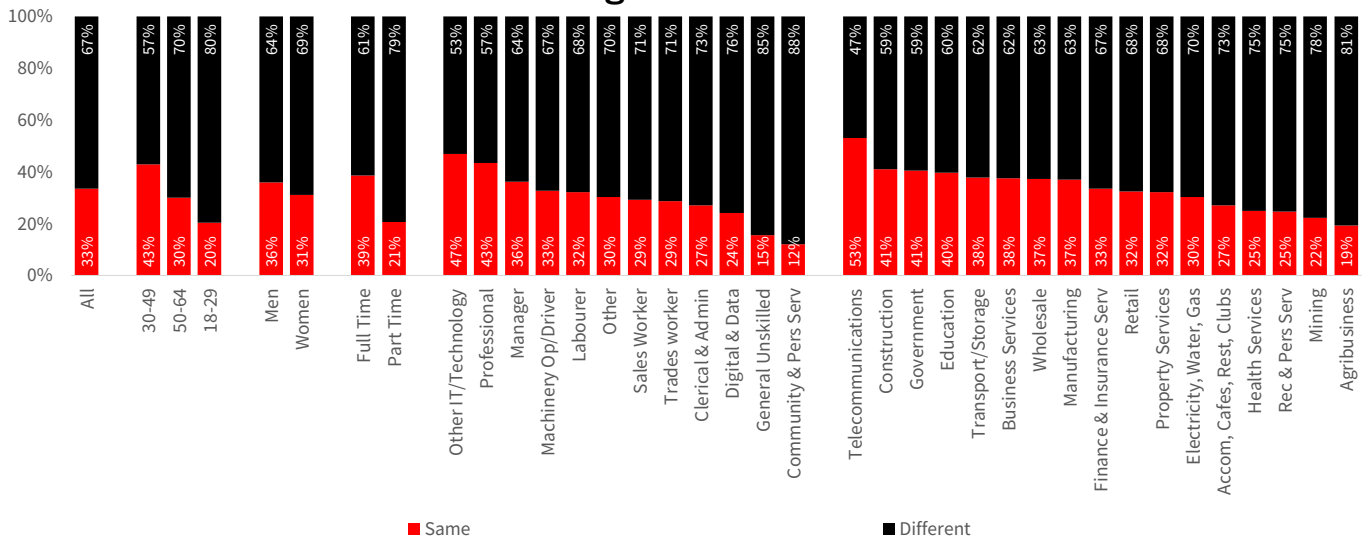
Somewhat more men changed jobs within the same organisation (36% vs. 31%), but more women went to a different organisation (69% vs. 64%).

Full time workers were much more likely to have changed jobs within their current organisation than part time workers (39% vs. 21%), but more part time workers to a different organisation (79% vs. 61%).

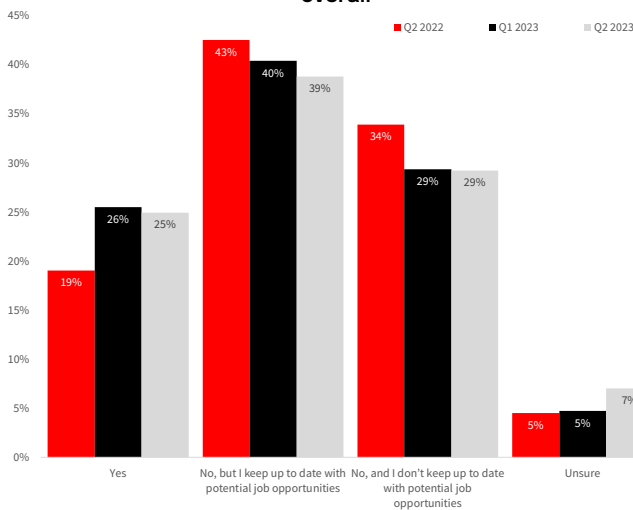
By job type, the highest number that changed jobs within the same organisation were other IT/tech workers (47%), professionals (43%), managers (36%), machinery operators & drivers (33%) and labourers (32%). It was lowest for community & personal services workers (12%) and general unskilled workers (15%).

Over 1 in 2 (53%) workers in the Telecoms industry changed jobs within the same organisation, and around 4 in 10 in Construction (41%), Government (41%) and Education (40%). This fell to around 1 in 5 in Agribusiness (19%) and Mining (22%), and 1 in 4 in Recreational & Personal Services and Health Services (25%) - see chart below.

Was change of job within the same organisation or a different organisation?



Considering leaving current place of employment: overall

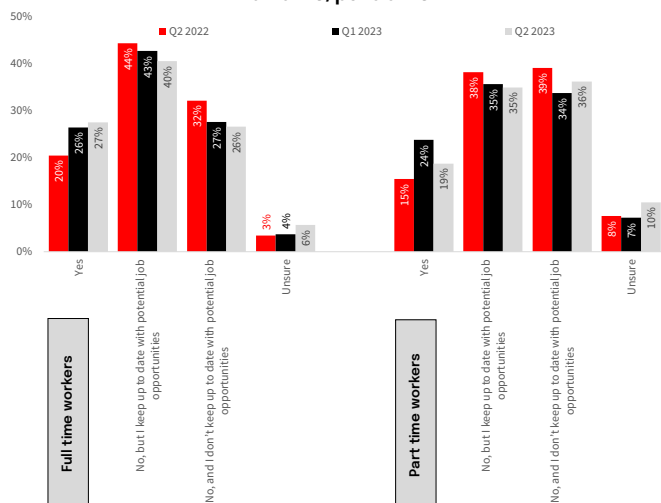


1 in 4 (25%) workers overall considered changing jobs in Q2 (26% in Q1 and 19% a year ago). A broadly unchanged 4 in 10 (39%) were not but staying up to date with potential opportunities. Around 3 in 10 (29%) workers overall had no intention of changing jobs and weren't keeping up with potential opportunities (unchanged from the previous quarter), and 7% were unsure.

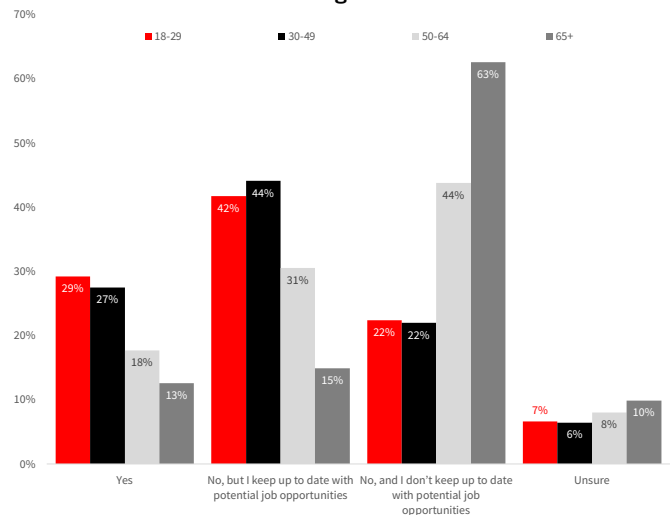
The number looking to change jobs was broadly unchanged for full time workers (27%) but fell somewhat among part time workers to 19% (24% in Q1). Somewhat more full time workers (40%) were also not looking but keeping up with potential opportunities than part-timers (35%).

The number of workers who considered changing jobs in Q2 was highest in the 18-29 age group (29%) ahead of the 30-49 group (27%). It continues to be much lower in the 50-64 (18%) and over 65 (13%) age groups - see below.

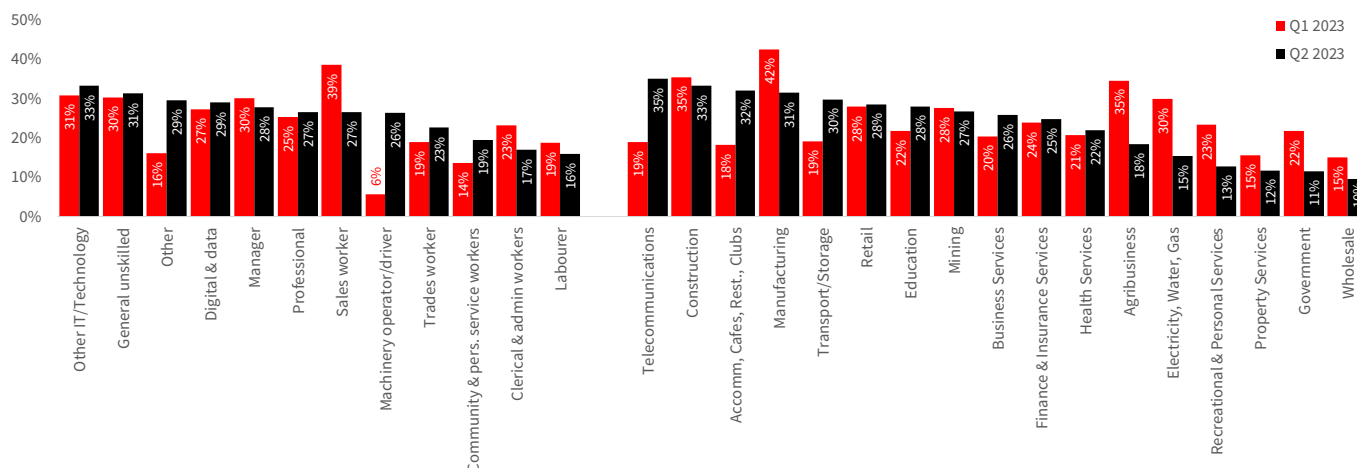
Considering leaving current place of employment: full time/part time



Considering leaving current place of employment: age



Considering leaving current place of employment "yes" job & industry



The number of workers considering leaving their jobs varied widely by job type and industry. By profession, the number considering a change was highest and increased for other IT & tech workers (33%) and general unskilled workers (31%), and lowest for labourers (16%) and clerical & admin workers (17%). It increased sharply for machinery operator & drivers to 26% (6% in Q1) but fell heavily for sales workers to 27% (39% in Q1).

By sector, the highest number that considered a change worked in the Telecoms (35% up sharply from 19%), Construction (33%), Hospitality (32% up from 18%), Manufacturing (31% down from 42%) and Transport & Storage (30% up from 19%) sectors. It was lowest and down noticeably in Wholesale Trade (10% from 15%), Government (11% from 22%), Property Services (12% from 15%) and Recreational & Personal Services (13% from 23%). We also noted far fewer workers in the Utilities (15% vs. 30%) and Agribusiness (18% vs. 35%) sectors considering leaving their current place of employment relative to the previous quarter, and a much higher number in Transport & Storage (30% vs. 19%).

Job satisfaction

Australian workers reported “quite” high levels of satisfaction with both their current job (6.7 pts out of 10) and with their current employer (6.6 pts) new research shows. But while just 1 in 3 (32%) are “very satisfied” with their current job (scored 8+ pts), over 4 in 10 (42%) are very satisfied with their current employer. Around 1 in 8 (13%) however are not very satisfied with their current job or employer (scored 3 pts or less).

In terms of raw scores, job satisfaction ranged from 7.8 pts in the over 65 age group to 6.2 in the 18-29 group. It was very similar for men and women (6.7 pts vs. 6.6 pts), but a little higher for full time than part time workers (6.8 pts vs. 6.5 pts). By profession, it ranged from 7.2 pts for other IT/tech workers to 6.2 pts for machinery operators and drivers, and by industry from 7.5 pts in Property Services to 6.1 pts in Education.

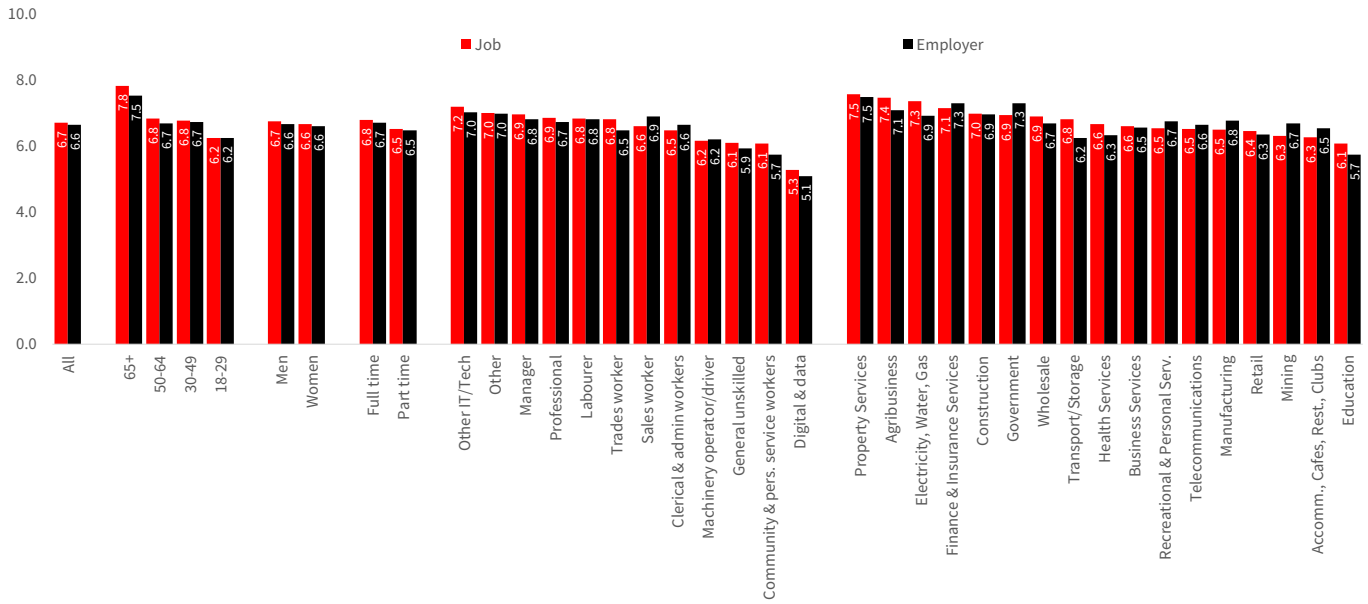
In terms of satisfaction with their current employer, it was also highest in the over 65 age group (7.5 pts) and fell to 6.2 pts in the 18-29 group. It was similar for men and women (6.6 pts), and a little higher for full than part time workers (6.7 pts vs. 6.5 pts). Employer satisfaction ranged from 7.0 pts for other IT/tech and ‘other’ workers to 6.2 pts for machinery operators & drivers, and by industry from 7.5 pts in Property Services to 5.7 pts in Education.

The averages score masks much wider disparity in workers very satisfied their jobs and employer. For job satisfaction, it ranged from 65% in the over 65 age group to 34% in the 18-29 group, by profession from 55% for other IT/Tech workers to 20% for digital & data workers, and by industry from 56% in Property Services and Government to just 24% in Education.

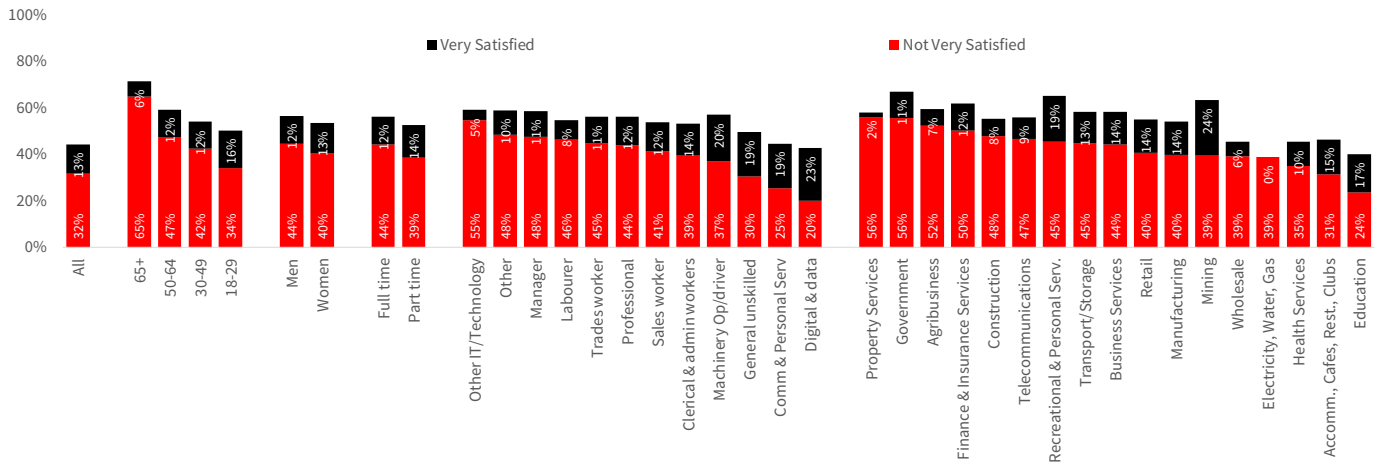
Workers very satisfied with their current employer ranged from 56% in the 65+ age group to 32% in the 18-29 group. It was higher for men than women (43% vs. 35%), for full time workers compared to part timers (44% vs. 38%) and ranged from 57% for other IT/tech workers to 19% for digital & data workers, and from 63% in Government to 31% in the Education sector.

We also noted a much higher number of digital & data workers (23%), machinery operators & drivers (20%), general unskilled and community & personal services workers (19%), working in the Mining (24%) and Recreational & Personal Services sectors (19%) not very satisfied with their current job. A much higher number of digital & data workers (28%), and in the Transport & Storage (23%) and Education (22%) sectors where also not very satisfied with their current employer - see charts below.

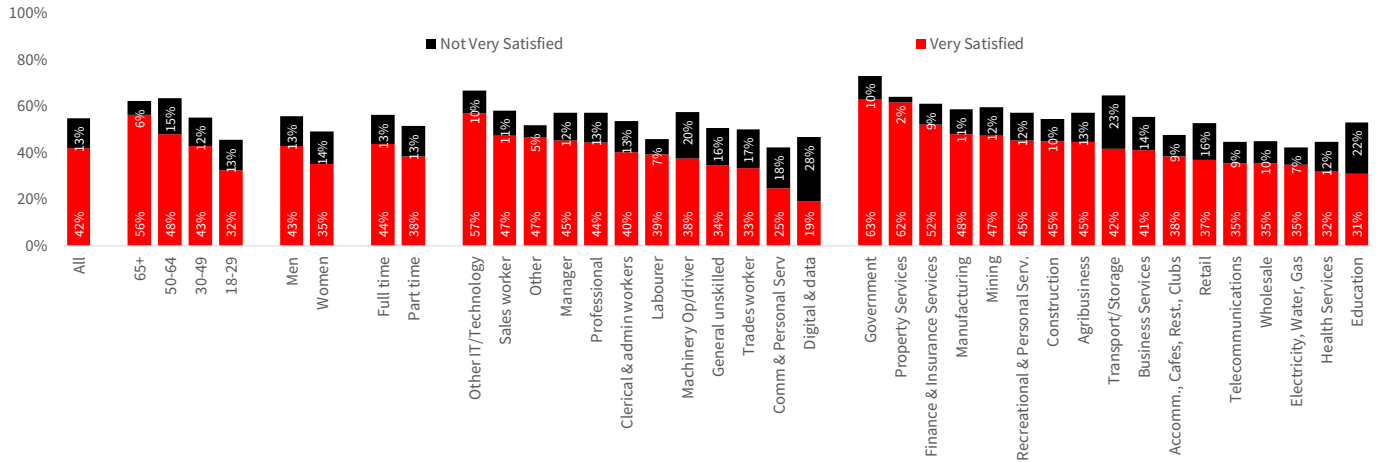
How satisfied are you with your current job/employer: Q2 2023 (score out of 10)



How satisfied are you with your current job (% very satisfied & not very satisfied)

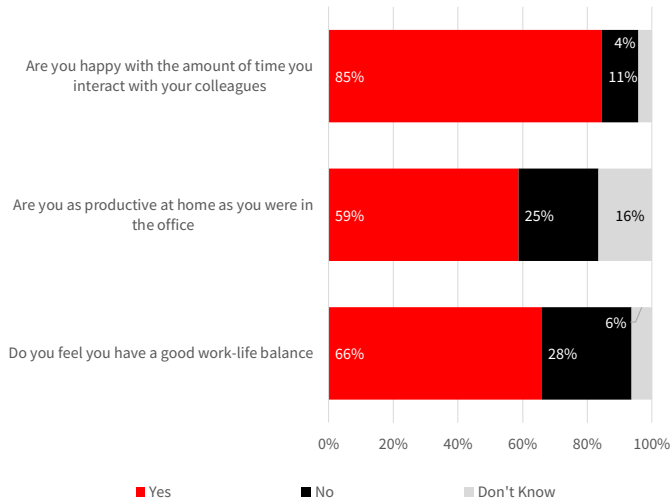


How satisfied are you with your current employer (% very satisfied & not very satisfied)



Colleague interaction, productivity & work-life balance

Interaction with colleagues, productivity & work-life balance



For the first time, we asked Australian workers if they are happy with the amount of time they interact with their colleagues, if they believe they are as productive at home than in the office, and if they have a good work-life balance.

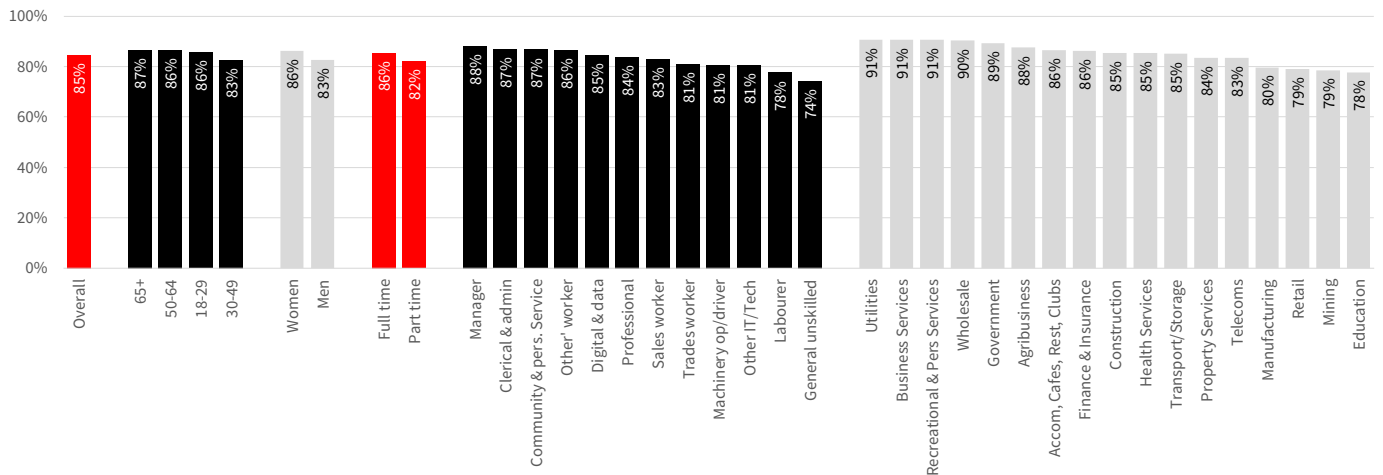
Nearly 9 in 10 (85%) said they are happy with the amount of time they interact with colleagues, but 1 in 10 (11%) are not.

Despite significant debate over the effects of remote working on productivity, around 6 in 10 (59%) believe they were as productive at home as in the office. However, 1 in 4 did not believe they were, while almost 1 in 5 (16%) were unsure.

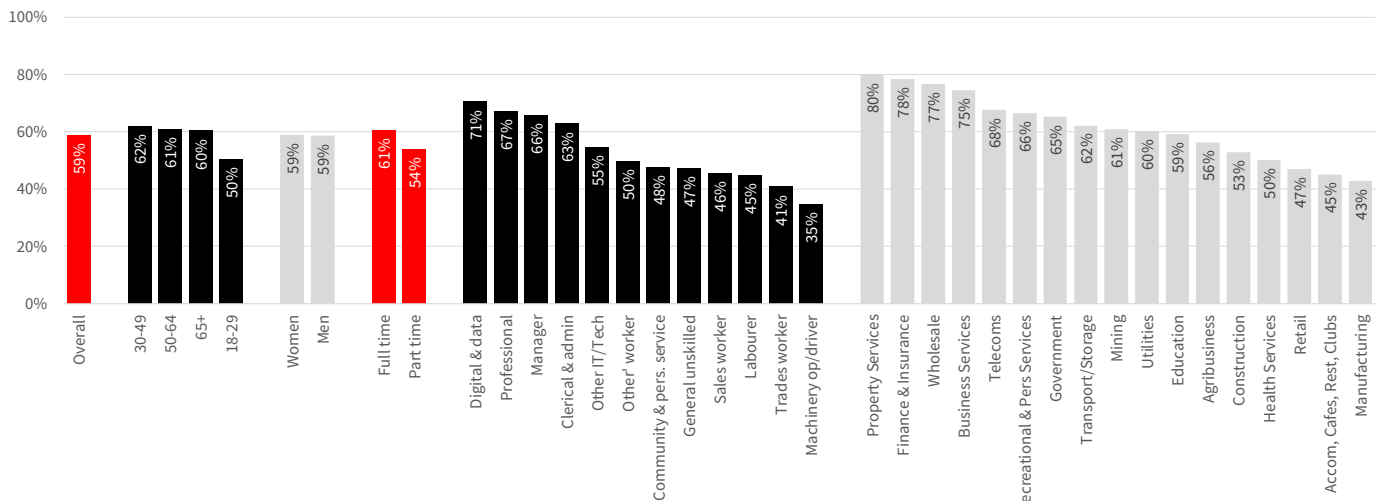
With increasing awareness around the importance of work-life balance for mental and physical health, it was encouraging that a large number of workers - around 2 in 3 (66%) - feel they have a good work-life balance. But almost 3 in 10 (28%) did not believe they did.

Worker responses however did vary quite widely by age gender, employment status, role and industry - see charts and commentary below.

Are you happy with the amount of time you interact with your colleagues? (Yes)



Are you as productive at home as you were in the office? (Yes)



A large number of Australian workers are happy with the amount of time they interact with colleagues across all monitored groups. By age, it ranged from 87% in the over 65 group to 83% in the 30-49 group. Slightly more women were happier than men (86% vs. 83%), as were slightly more full time workers than part-timers (86% vs. 82%).

The range was somewhat greater by profession with the highest number happy with the amount of time they interact with colleagues reported by managers (88%) and clerical & admin workers and community & personal services workers (87%). It was lowest for general unskilled workers (74%) and labourers (78%), with over 1 in 5 (21%) labourers also not happy.

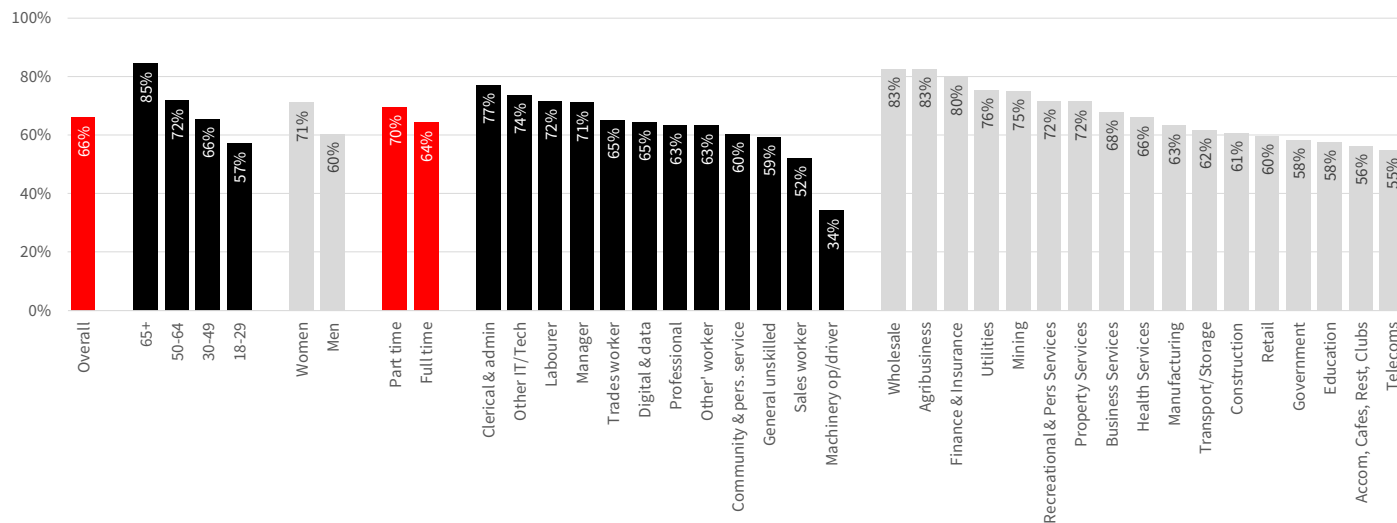
By industry, it ranged from around 9 in 10 in Utilities, Business Services, Recreational & Personal Services (91%) and Wholesale Trade (90%), to around 8 in 10 in Education (78%), Mining, Retail (79%) and Manufacturing (80%).

Around 6 in 10 workers in the 30-49 (62%), 50-64 (61%) and over 65 (60%) age groups agreed they were as productive at home as they were in the office, but this fell to 5 in 10 (50%) in the 18-29 age group. There was no difference between men and women (59%), but more full time workers agreed they were more productive than part-time workers (61% vs. 54%).

By role, agreement was much higher among digital & data (71%), professionals (67%), managers (66%) and clerical & admin workers (63%), and (not surprisingly given the nature of their jobs) much lower for machinery operators & drivers (35%) and trades workers (41%).

By industry, the highest number of workers who thought they were as productive at home were in Property Services (80%), Finance & Insurance (78%), Wholesale Trade (77%) and Business Services (75%), and lowest in Manufacturing (43%) and Accommodation, Cafes, Restaurants & Clubs (45%).

Do you feel you have a good work-life balance? (Yes)



The survey found a very clear relationship in the number of workers who feel they have a good work-life balance and their age - it increased as they got older. Agreement was lowest in the 18-29 age group (57%) and stepped up in each successive age group to 85% in the over 65 age group.

Noticeably more men (71%) feel they have a good work-life balance than women (60%), as did somewhat more full time workers than part timers (70% vs. 64%).

Clerical & admin workers (77%), other IT/tech (74%), labourers (77%) and managers (71%) most felt they had a good work-life balance, and significantly higher than for machinery operators and drivers where only 1 in 3 (34%) reported having a good work-life balance (and 66% not having a good work-life balance). We also noted a relatively large number of sales workers that reported not having a good work-life balance (66%).

By industry, the highest number of workers that felt they had a good work-life balance was highest in Wholesale Trade, Agribusiness (83%) and Finance & Insurance (80%). It was lowest for workers in the Telecoms (55%), Accommodation, Cafes, Restaurants & Clubs (56%), Education and Government (58%) sectors. Interestingly, nearly 4 in 10 workers in these last 3 sectors also said they did not feel they had a good work-life balance.

Earnings & pay rise expectations

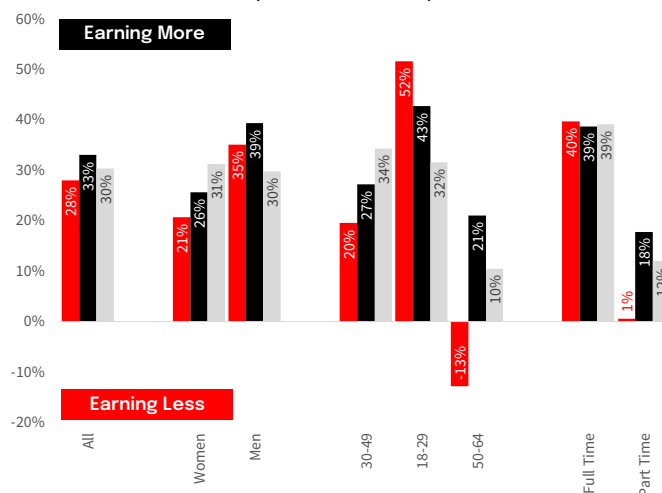
Australians who changed jobs in the last 12 months were asked if they were earning more, less or the same as in their previous job. On balance, +30% were earning more (i.e. the number earning more exceeded those earning less). This was however down from +33% in the previous quarter.

An unchanged number of full time workers reported they were earning more in Q2 (+39%), whereas the net number of part time workers earning more fell noticeably to +12%, from +18% in the previous quarter.

By gender, the net number of men who changed jobs and earning more than in their previous job fell quite sharply to +30% (+39% in Q1). The number of women earning more however increased to +31% (+26% in Q1).

By age, the net number increased and was highest in the 30-49 age group in Q2 (+34% up from +27% in Q1). It fell noticeably in the 18-29 group to +32% (+43% in Q1). It also halved in the 50-64 age group to +10% (+21% in Q1).

Earning more/less than in previous job (net balance)



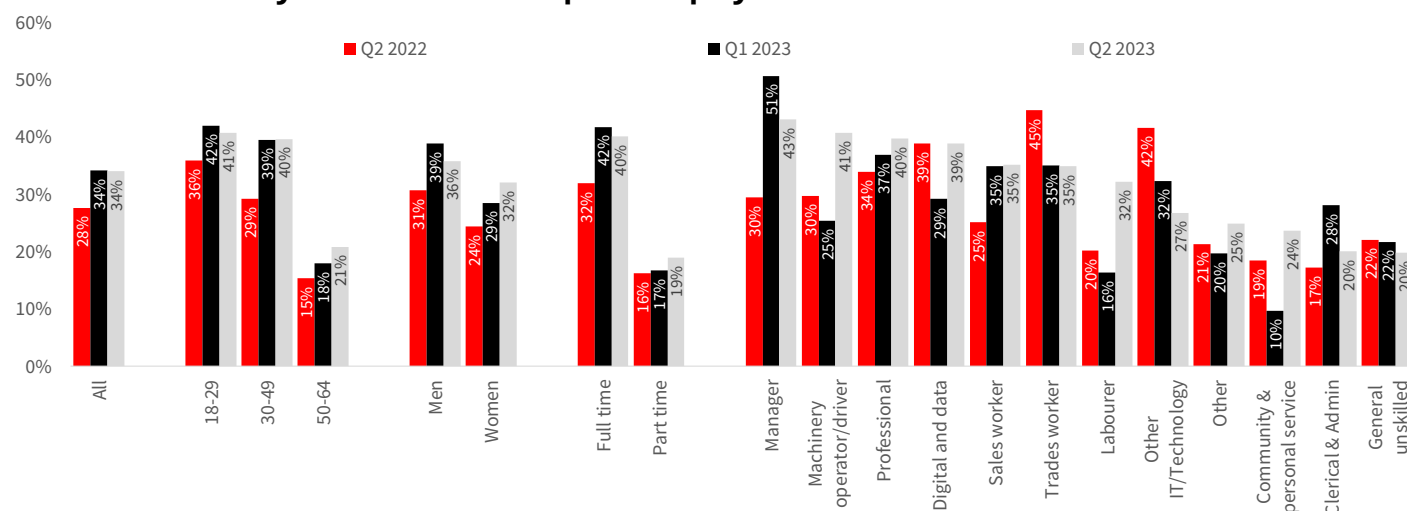
The labour market remains very tight with only incremental easing in job vacancies over the past year, and wage growth should continue to strengthen as a result before the slowing economy sees unemployment begin to rise. The most recent labour force data showed strong employment growth continued through May and the unemployment rate remained at historic lows at 3.6%. More recent payroll data showed the number of jobs increased 0.3% to mid-June, suggesting the pace of employment growth may have eased slightly but nonetheless continued through the month. More significantly, the release of job vacancies data for Q2 showed a fall of just 2% to 432k. That leaves the number of vacancies down 10% from their mid-2022 peak but still almost double their pre-COVID level, with the number of vacancies per unemployed at around 0.8.

In terms of the outlook, NAB continues to expect the rate of employment growth to slow (and vacancies to fall) over the second half of the year and through 2024 as the economy weakens, enough to see the unemployment rate rise to around 5% by end-2024. This would be a considerable rise but, importantly, would still leave unemployment around its pre-COVID level.

Wage growth should continue to strengthen in the near-term as the current labour market tightness and elevated inflation drive bargaining negotiations, alongside the very large minimum and award wage rise taking effect in Q3. We see wage growth lifting to 4% by the end of the year before stabilising as the labour market softens and inflation eases.

Against this backdrop, Australians working full, or part time were asked if they intended to request a pay rise over the next 12 months, and if so, did they expect to get a pay rise. On average, an unchanged 1 in 3 (34%) intended to seek an increase.

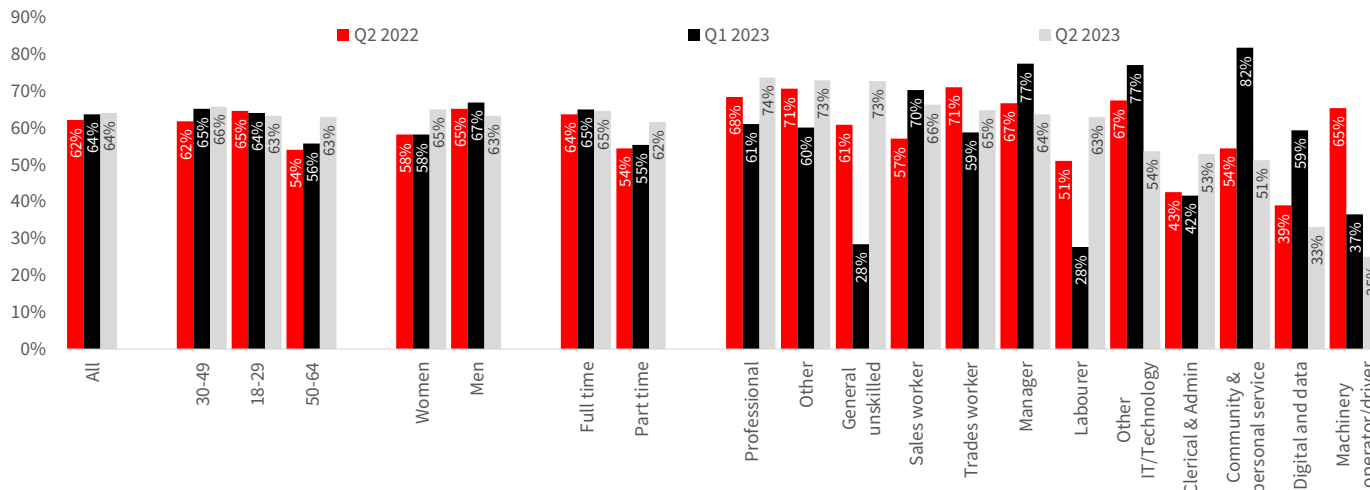
Do you intend to request a pay rise in the next 12 months?



Full time workers (40%) were twice more likely ask for a pay raise than part-timers (19%), with around twice as many under 50 (4 in 10) also intending to request one than in the 50-64 group (21%). The gap between men and women narrowed, with less men planning to ask for a raise (36% vs. 39% in Q1), and more women intending to (32% vs. 29% in Q1).

More managers intend to ask for a pay rise than any other profession, though this fell to 43% (51% in Q1). Next highest were machinery operators & drivers and it rose sharply to 41% (25% in Q1), followed by professionals (40% vs. 37%) and digital & data workers (39% vs. 29%). The least likely workers to ask for a raise were general unskilled and clerical & admin workers (20%). We also noted a doubling in the number of labourers intending to request a pay rise (32% from 16%) and a sharp jump among community & personal services workers (24% up from 10%).

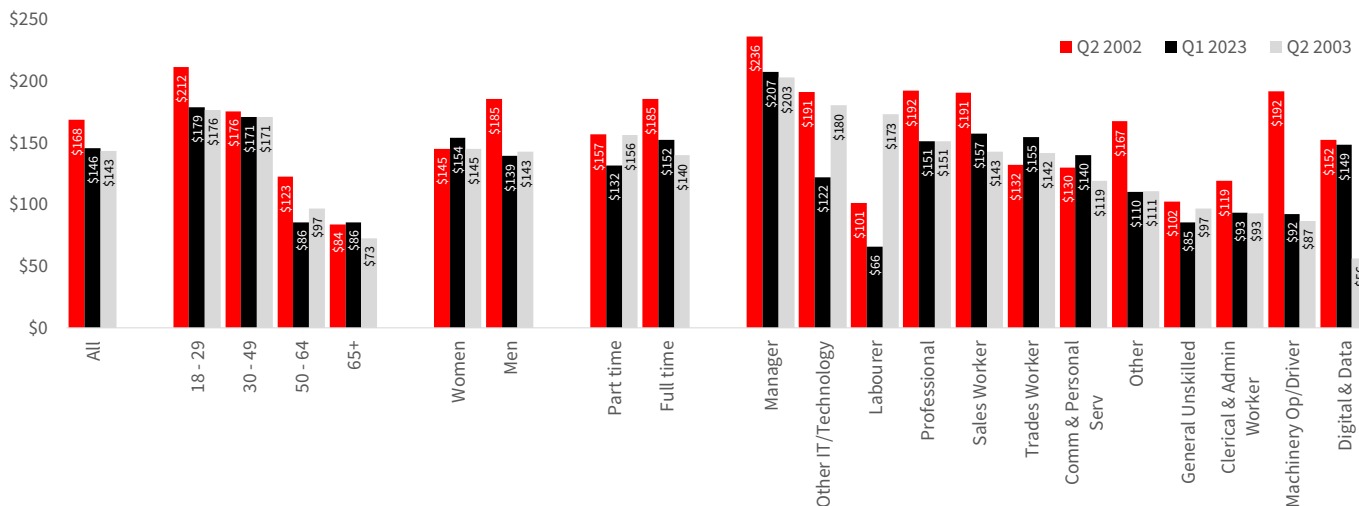
Do you expect to get a pay rise?



Pay rise expectations among those intending to ask remain quite high. In total, an unchanged 2 in 3 (64%) expect to get a raise. Hopes were unchanged for workers with full time jobs (65%) but rose solidly for part timers and are now on par with full time workers at 62% (55% in Q1). By age, an unchanged 2 in 3 in the 30-49 (66%) and 18-29 (63%) groups still expect a pay rise but were joined by a similar number in the 50-64 group (63% from 56% in Q1). Fewer men were optimistic about getting a rise (63% vs. 67% in Q1) and were overtaken by women where the number that did climbed to 65% (56% in Q1).

Expectations across job types varied much more. Around 3 in 4 professionals (74% vs. 61% in Q1), ‘other’ workers (73% vs. 60%) and general unskilled workers (73% up very sharply from 28% in Q1) expect a pay rise. Around 2 in 3 sales workers (66%), managers (64%) and labourers (63% up sharply from 28% in Q1) also expect a rise. Only 1 in 4 machinery operators & drivers now expect to get one (25% vs. 37%), and 1 in 3 digital & data workers (33% vs. 59%). Pay rise expectations fell sharply among community & personal service workers (51% vs. 82% in Q1) and other IT/tech workers (54% vs. 77%).

How much extra money per week are you expecting?



The NAB Q2 Australian Wellbeing Survey found when Australians were asked what happened to their income in the last 3 months, the number that said it increased out-weighed those who said it decreased, with this rising to +6% (+3% in Q1). Looking forward, more Australians on balance also expect their incomes to rise than fall in the next 12 months (+30% from 27% in Q1). Despite the somewhat higher number indicating their incomes increased in Q2, they were more concerned over their income or pay, suggesting they still see their costs rising more than their incomes. Indeed, asked to rate their level of concern over their income, they scored a survey high 58.8 pts in Q2 with income stress higher all groups by gender and age.

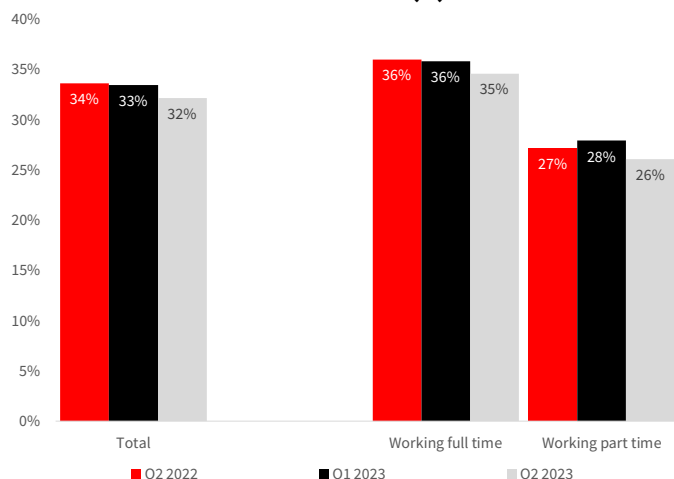
Australians who expected incomes to increase in the next year were asked to estimate by how much it would rise. On average, expectations were basically unchanged in Q2 at \$143 (\$146 in Q1), but down significantly from a year ago (\$168).

By age, expectations were highest in the 18-29 group and basically unchanged at \$176 (\$179 in Q1), though much lower than a year ago (\$212). Expectations were next highest in the 30-49 group at \$171 and are largely unchanged over the past year. Expectations improved in the 50-64 group (\$97 up from \$86), but a little lower in the over 65 group (\$73 down from \$86). Women (\$145 down from \$154) and men (\$143 up from \$139) expect a similar gain. Part time workers now expect an increase of \$156 (\$132 in Q1), but full time worker expectations were pared back to \$140 (from \$152 in Q1 and \$185 in Q2'22).

Expectations are weaker or basically unchanged across all professions apart from other IT/tech workers (\$180 vs. \$122) and labourers \$173 vs. \$66) where they are sharply higher. Managers still expect the biggest gain (\$203 down from \$207), with digital & data workers expecting the least (\$56) - with expectations for digital & data workers also pared back very heavily from the previous quarter (\$149) and the same time last year (\$152).

Working from home

Proportion of week currently working from home (%)

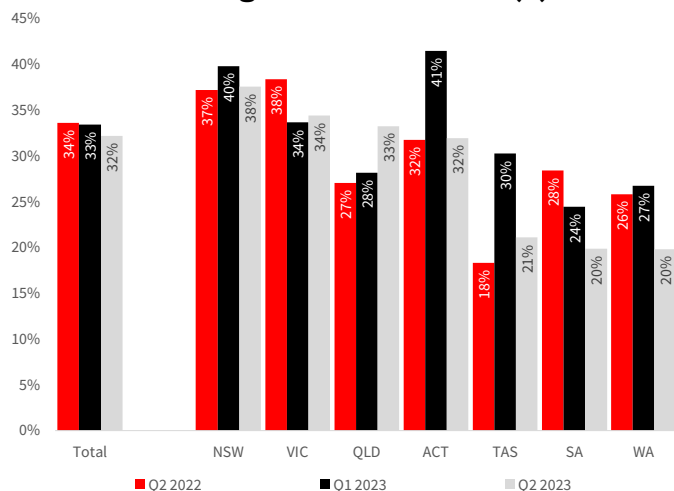


On average, working Australians spent 32% of the week working from home in Q2, compared to 33% in Q1 and 38% when we first started tracking this data in Q1'22.

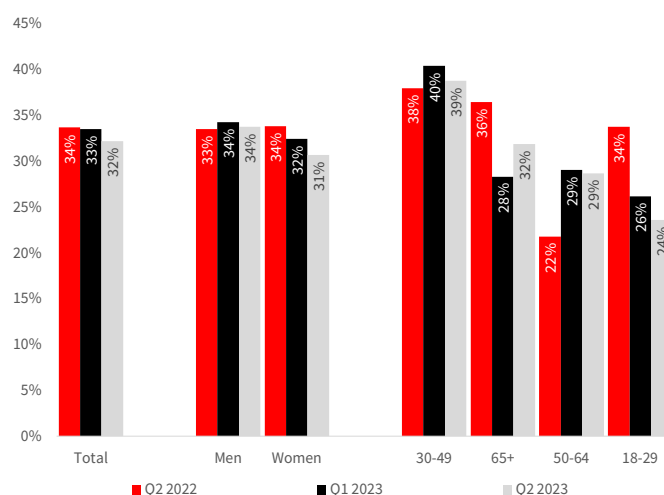
The proportion of time spent working from home was down slightly for both full time (35% from 36%) and part time workers (26% from 28%). Full time workers are now working much less from home than in Q1'22 when this data was first compiled (42%) but is only slightly lower for part-timers (28%).

Workers in NSW spent the most working from home but less than in Q1 (38% vs. 40%), followed by VIC (unchanged at 34%), QLD (where it increased to 33% from 28%) and the ACT (where it fell to 32% from 41%). Time spent working at home in Q2 was much lower and dipped noticeably in TAS (21% vs. 30%), WA (20% vs. 27%) and SA (20% vs. 24%). All states report they are now working less from home than in Q1'22.

Proportion of work week currently working from home: state (%)



Proportion of work week currently working from home: gender & age (%)

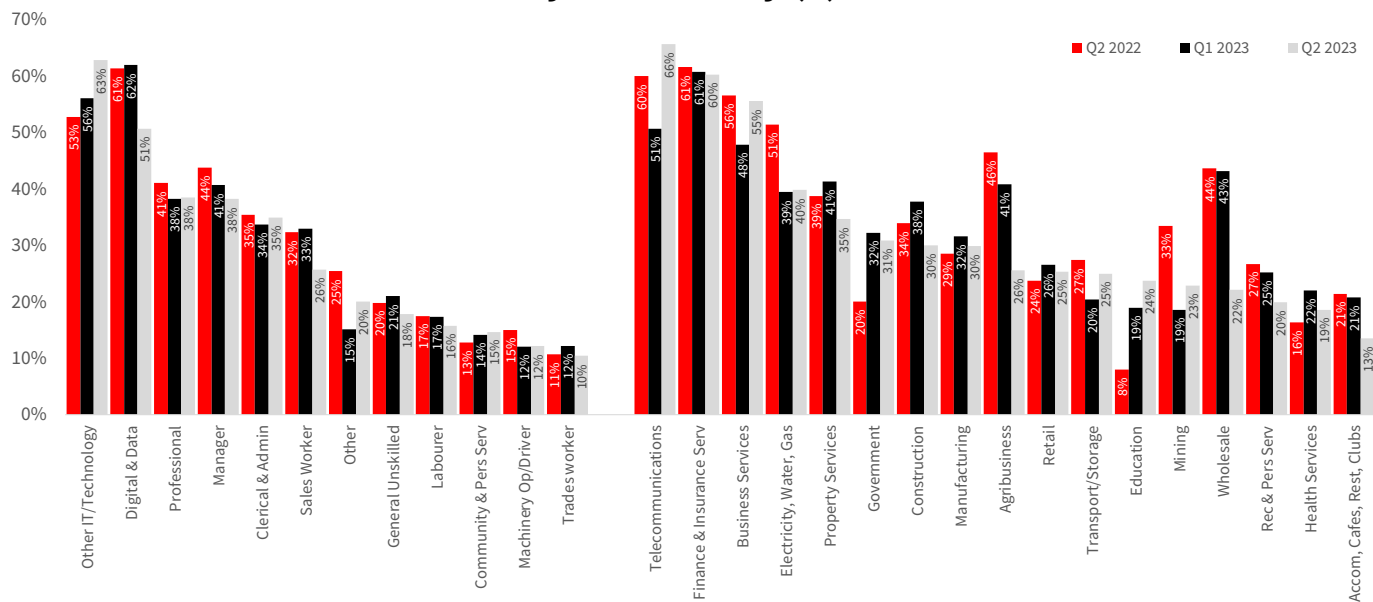


Men spent an unchanged 34% of time working from home in Q2, but women slightly less (31% down from 32%). By age, workers in the 30-49 group continued to spend the most (and basically unchanged) time working from home (39% vs. 40% in Q1). The amount of time spent working from home increased in the over 65 age group (32% from 28%), was unchanged in the 50-64 group (29%), and fell in the 18-29 group (24% vs. 26%).

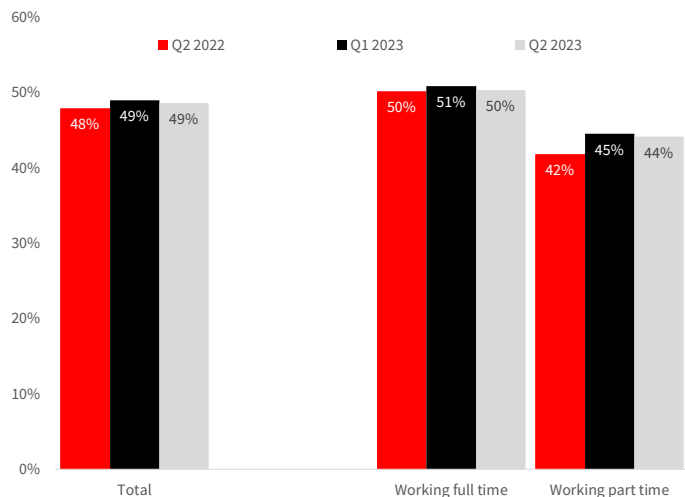
By profession, other IT/tech (63% vs. 56% in Q1) and digital & data workers (51% vs. 62%), spent the most time working from home in Q2, followed by professionals (unchanged at 38%), managers (38% vs. 41%) and clerical & admin workers (35% vs. 34%). Trades workers (10%) and machinery operators & drivers (12%) spent least time working from at home. The amount of time spent working from home was broadly unchanged in all professions apart or sales workers (26% vs. 33%) and 'other' workers (20% vs. 15%).

By industry, workers in the Telecoms sector spent most time working from home in Q2, and it rose noticeably to 66% (51% in Q1). The next highest were in Finance & Insurance (basically unchanged at 60%) and Business Services (55% up from 48%). Workers in the Accommodation & Hospitality (13% down sharply from 21%), Health Services (19% vs. 22%) and Recreational & Personal Services (20% vs. 25%) sectors spent least time at home. Interestingly, workers in the Education (24% vs. 8%) and Government (31% vs. 20%) sectors reported spending much more time working from home than the same time last year.

Proportion of work week currently spent working from home: job & industry (%)



Proportion of work week ideally like to work from home (%)



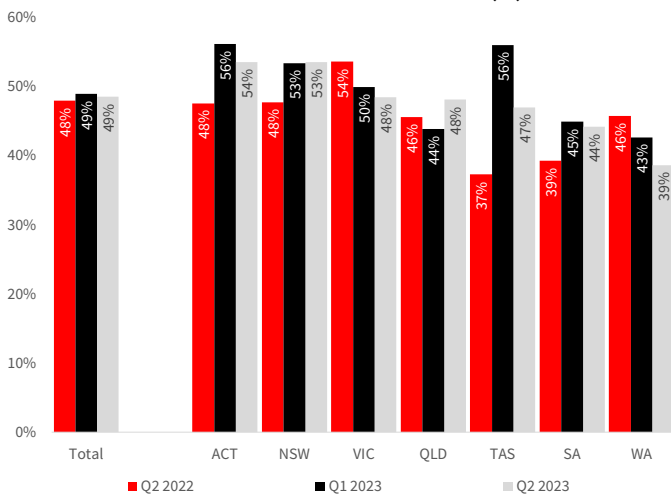
But how much time do workers actually want to spend working from home? Ideally, they still want to spend half the week working from home (49%).

The ideal work week was basically unchanged for full time workers (50% vs. 51% in Q1), and for part time workers (44% vs. 45%).

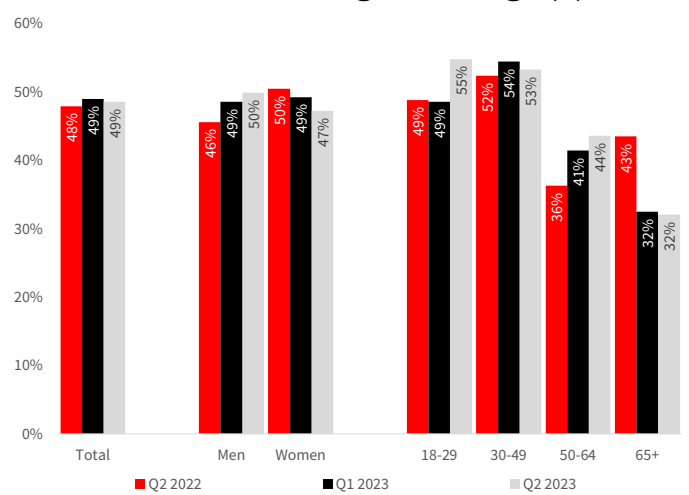
Workers in both the ACT and NSW (54%) want to spend the most amount of time working from home, followed by VIC and QLD (48%), TAS (47%), SA (44%) and WA (39%).

Interestingly more people now prefer to spend more time working from home than they did at the same time last year in the ACT (54% vs. 48%), NSW (53% vs. 48%) and QLD (48% vs. 46%), but less time in VIC (48% vs. 54%), TAS (47% vs. 37%) and WA (39% vs. 46%) - see chart below.

Proportion of work week ideally like to work from home: state (%)



Proportion of work week ideally like to work from home: gender & age (%)

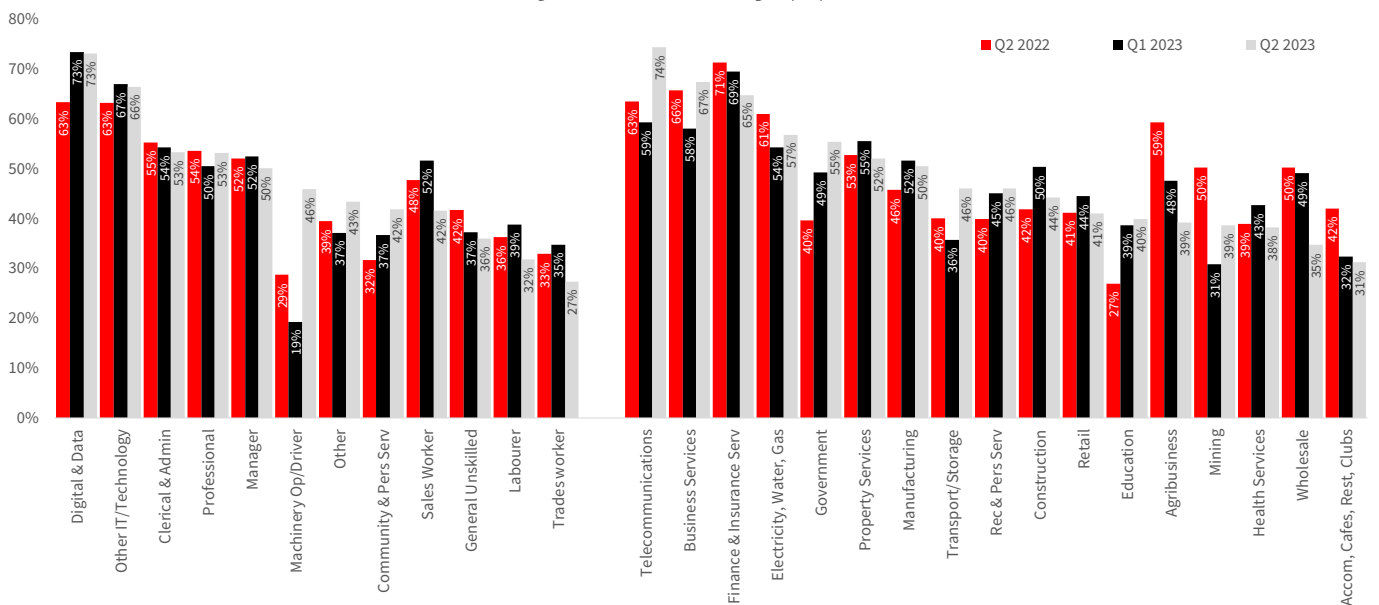


Men ideally want to spend a little more time working from home than women (49% vs. 47%). Preferences among workers aged 18-29 increased to 55% (49% in Q1) and were largely unchanged in the 30-49 group (53% vs. 54%). It was a little higher in the 50-64 group (44% up from 41%) and unchanged in the over 65 group (32%).

By profession, digital & data (unchanged at 73%) and other IT/tech workers (66%) still prefer to spend the most of their week working from home, followed by clerical & admin workers and professionals (53%), and managers (50%). Trades workers (27%) and labourers (32%) want to spend the least amount of time. Significantly more machinery operators & drivers wanted to spend more time working from home in Q2 (46% vs. 19% in Q1), and sales workers noticeably less (42% vs. 52%).

By industry, telecoms workers now want to spend around three quarters (74%) of their time working from home (up sharply from 59% in Q1), followed by workers in the Business Services (67% vs. 56%) and Finance & Insurance (69% up from 65%) sectors. Workers in the Utilities (57%), Government (55%), Property Services (52%) and Manufacturing (50%) sectors also want to spend half their week or slightly more at home. Workers in the Accommodation & Hospitality (31%), Wholesale Trade (35%), Health Services (38%), Mining and Agribusiness (39%) sectors want to spend the least amount of time working from home.

Proportion of work week ideally like to work from home: job & industry (%)



Are Australian workers currently working from home as much as they would ideally like to? Our research continues to suggest they are not. The chart below compares the proportion of the week workers currently spent working from home to their ideal situation. It showed that no workers in any of our monitored demographic groups were working from home anywhere near as much as they would ideally like to in Q2 - apart from the over 65 age group, other IT/tech workers and workers in the Finance & Insurance sector.

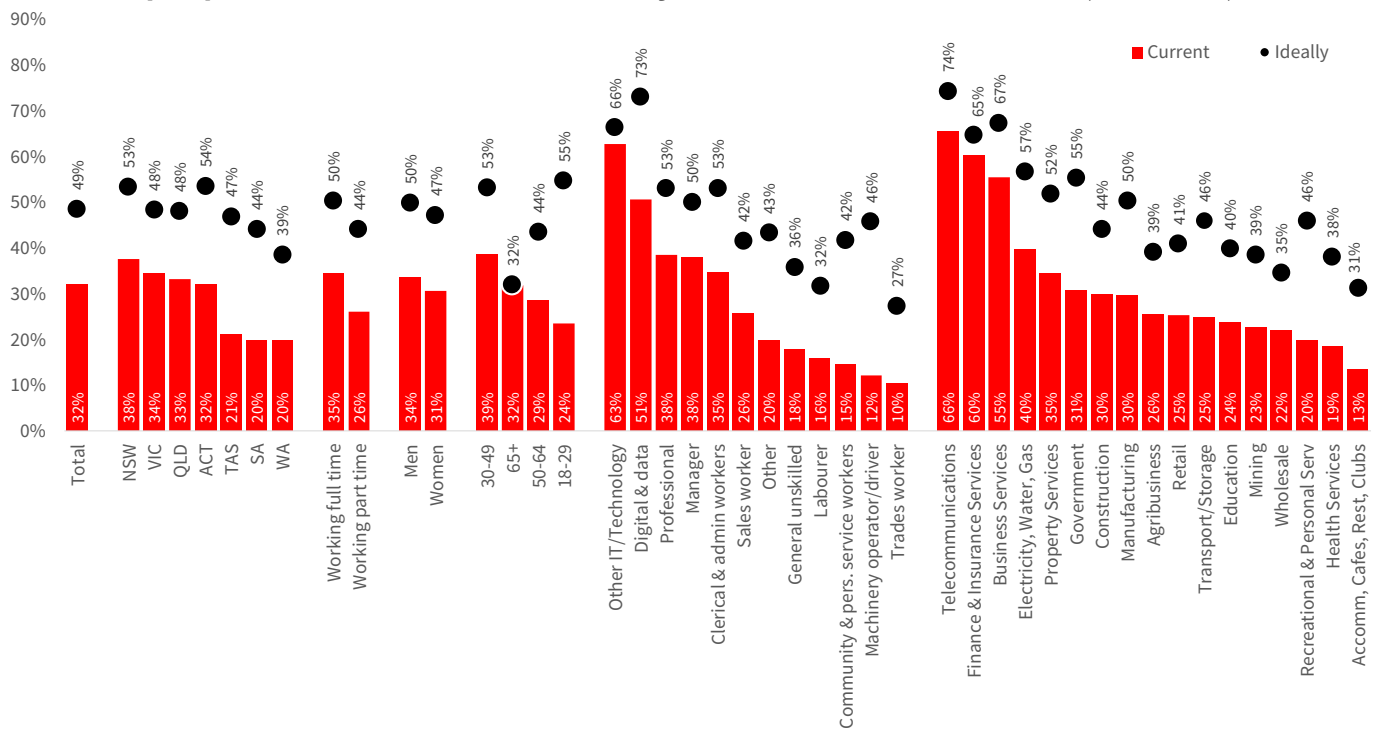
Overall, working Australians spent one-third (32%) of their week working from home, but ideally wanted to spend half of the week (49%) working from home.

Both full (35% currently; 50% ideally) and part time (26% currently; 44% ideally) workers reported spending much less time working from home in Q2 than they ideally would like, as did men (34% currently; 50% ideally) and women (31% currently; 47% ideally).

Over 65s were the only group who said they spent as much of the week working from home in Q2 (32%) that they ideally would like to work from home (32%). All other age groups spent much less time working from home than they would like, with the gap around twice as large in the 18-29 age group (24% vs. 55%) than in the 30-49 and 54-64 age groups.

The average amount of time workers spent working from home in a typical week fell well short of the ideal for workers in all states. In Q2, the gap between current and ideal conditions was biggest in TAS (21% vs. 47%), SA (20% vs. 44%) and the ACT (32% vs. 54%). It was narrowest in VIC (34% vs. 48%) and QLD (33% vs. 48%).

Proportion of work week currently working from home & proportion of work week ideally like to work from home (Q2 2023)



Workers in all professions would ideally spend much more time working from home than they did in Q2, except other IT/tech workers (63% currently; 66% ideally). The biggest gap was reported by machinery operators & drivers (12% vs. 46%) and community & personal services workers (15% vs. 42%).

By industry, those currently working closest to their ideal amount of time at home were in the Finance & Insurance (60% currently; 65% ideally) sector. Industries where workers were furthest apart in Q2 included Recreational & Personal Services (20% vs. 44%), Transport & Storage (25% vs. 46%), Manufacturing (30% vs. 50%) and Health Services 19% vs. 38%).

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