

# 1 in 4 Australia retail jobs set to be automated by 2027

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ServiceNow research outlines major shifts to Aussie industries, with finance, manufacturing & transport also projected to be transformed by AI, boosting productivity, creating hundreds of thousands of technology roles, & creating new opportunities for industry workers

**Sydney, Australia, October 5, 2023, ServiceNow:** Australian industry leaders and employees must prepare for a tectonic shift as new research by ServiceNow and workforce technology experts, Pearson, predicts that AI will reshape jobs across several industries, with a significant increase in roles to be automated. Retail is expected to be the most affected industry, with nearly a quarter of current retail jobs (24.9%) likely to be automated.

One in five (22.6%) finance and insurance workers and a similar proportion in manufacturing employees (18.2%) will see their jobs change. Transport (15.3%), and hospitality<sup>1</sup> (13.6%) are also set to see a large proportion of roles evolve. These structural shifts will see more repetitive, manual work performed by technology, delivering significant productivity gains, with an estimated \$15.3 billion boost to the retail sector, \$15.1 billion boost to finance, and multi-billion-dollar gains for manufacturing (\$12.4bn), transport (\$8.3bn), and hospitality (\$5.1bn).

## A new generation of jobs

Hundreds of thousands of new tech jobs will be required to help industries adopt AI and other technologies, with an additional 94,500 tech roles for hospitality, 80,000 in the retail industry, 65.9k tech roles in healthcare and social assistance, 33.8k in finance and insurance, 35.9k in manufacturing, and 20.9k needed for transport.

In total, nearly half a million (464.7k) new tech roles will be needed in the next four years, in addition to other new jobs that will emerge as technology allows people to do more creative and collaborative work. In the retail industry, this could mean new demonstration roles or customer assistants, while in finance it could lead to more personal banking services.

The research also outlines potential career switches<sup>2</sup> for roles that will change, helping address Australia's skills shortages<sup>3</sup>, and improve earning potential. Five industries with the highest numbers of individuals affected by automation will be:

- Retail – 323,000 Full Time Employees (FTEs) (24.9% of the industry)
- Professional, Scientific and Technical Services – 156.5k FTEs (12.2%)
- Manufacturing – 154.2k FTEs (18.2%)
- Healthcare and Social Assistance – 153.3k FTEs (7.7%)
- Finance and insurance – 128.2k FTEs (22.6)

**VP and Managing Director of ServiceNow Australia and New Zealand, Eric Swift said:** “In the next few years, AI will transform industries, delivering multi-billion-dollar boosts to productivity. We’re all talking about AI, but the reality is its impact is only just beginning to be felt. Soon, the results will be transformative, and early movers who put AI to work today can see significant increases in productivity, more engaged employees, and fewer skills shortages.”

## Skills for success

As roles evolve, existing industry employees will have a competitive advantage for emerging roles in their sector, due to existing industry expertise. For example, as AI makes it possible to write software code with simple text inputs, people who understand industry processes and customer behaviour will have the understanding to create new applications to solve problems and create new business opportunities.

“As these significant industry changes take place, so will the way people work. The tasks and jobs we do will change. Retail and finance have already seen multiple roles automated, with the rise of self-checkout technology, online shopping, and mobile banking. AI will accelerate this process and offer new avenues for growth. Business leaders, governments, and individuals must start planning today, updating job descriptions, team structures, and upskilling employees as new jobs emerge,” said Mr Swift.

“The research shows a whole new generation of technology jobs will be needed, alongside other new roles. The priority is identifying the biggest shifts and investing in tailored training pathways to help people reskill and find meaningful work, and adopting the right technology platforms to make using AI simple. We believe with the right

preparation today, AI and automation will be hugely positive for Australia, helping people pursue more fulfilling career paths, increase their income potential and do more engaging, less repetitive work," continued Mr Swift

**Pearson Workforce Skills Solutions Director of Data Science, Sandya Raj said:** " It's not all doom and gloom for workers in retail and banking. Our data reveals that technology can help remove the tedious and repetitive tasks, letting workers focus on higher-value, strategic activities."

"To stay ahead in this tech-driven landscape, companies and individuals need to focus on skills that are less susceptible to automation and learn to collaborate with AI rather than resist it."

Everyday employee and customer interactions will also be revolutionised, as organisations use AI to surface information, make predictions, and automatically resolve issues. This will free up time for people to focus on strategy, creativity, communication, collaboration, and customer focus.

"ServiceNow's **annual customer care report** showed that technology isn't yet delivering the results people expect. We all still wait too long on hold, trying to get issues resolved – nearly 100 million hours in 2022. AI has the potential to make wait times a thing of the past," said Mr Swift. "As AI develops, we believe common issues will be able to be solved almost instantly, giving employees the time to focus on wowing customers instead of getting bogged down with routine requests," said Mr Swift.

To support the demand for new technology roles across industries, ServiceNow has committed to training 1 million people globally by 2024 as part of its **RiseUp** initiative to fuel an economy of in-demand, job-ready talent – **apply here**.

### Case study: Brendan McIlwain – From career juggling to success in tech

Brendan McIlwain's resume is filled with a variety of roles across industries. He began his career in retail, before working as an aircraft maintenance engineer, which came to an unforeseen halt when medical issues arose 8 years into the role. To make ends meet, he began working a mixture of contract roles, including as a voice over artist and NBN technician. However, the COVID-19 pandemic led to these opportunities drying up. Brendan always had an interest in IT and had completed various online courses to acquire skills in the industry, including learning different coding languages. Yet his learning felt disjointed and difficult to put into practice for an employer. Despite applying for technology roles, a lack of qualifications meant he never received a call back.

It wasn't until he discovered the ServiceNow NextGen program before he made the leap into the industry. He began the 9-week bootcamp program, providing education on the foundations of the ServiceNow platform to help jump start his career. Upon completing the program, he became equipped with SCA and CAD certifications, and secured a role at global mining company, Rio Tinto, as a ServiceNow Platform Engineer within a matter of weeks.

Currently working on creating a new platform to host over 100,000 people, Brendan says, "This opportunity feels like hitting the lotto jackpot".

**\*Research Methodology:** to understand AI's effect on jobs and tasks, ServiceNow, in partnership with workforce technology experts Pearson, modelled the impact of 16 technologies on more than 6,000 roles **in Australia and five other markets around the world.**

Each role was divided into a subset of 26,000 tasks; machine learning models then predict the effect on each task from 16 technologies that drive automation and augmentation. The models are validated by universities including Macquarie University and are rated as 80-99% accurate. To keep its technology impact projections current, workforce technology experts, Pearson identifies current and emerging trends by analysing 10 million job ads per month. Its natural language processing models identify which of 8,000 skills are present in an advert, alongside occupation, to generate insights into how the jobs and skills landscape is evolving.

Earlier **research outlined** that a total of 1.3 million full time jobs – or 9.9% of Australia's working population – will be automated in the next four years as AI becomes mainstream, and now its detailed impact on specific industries has been revealed.

## About ServiceNow

ServiceNow (NYSE: NOW) is making the world of work, work better for people. Our cloud-based platform and solutions deliver digital workflows that create great experiences and unlock productivity for employees and the enterprise. For more information, visit: [www.servicenow.com](http://www.servicenow.com).

## About Pearson

At Pearson, our purpose is simple: to add life to a lifetime of learning. We believe that every learning opportunity is a chance for a personal breakthrough. That's why our c.20,000 Pearson employees are committed to creating vibrant and enriching learning experiences designed for real-life impact. We are the world's leading digital media learning company, serving customers in nearly 200 countries with digital content, assessments, qualifications, and data. For us, learning isn't just what we do. It's who we are. Visit us at [pearsonplc.com](http://pearsonplc.com).

Interviews Available upon request:

Sandya Roj, Director Data Science, Pearson Workforce Skills Solutions

<sup>1</sup>Food and accommodation services

<sup>2</sup>See infographic at end of announcement

<sup>3</sup>The 2022 National Skills Commission annual update showed 286 Australian occupations are currently experiencing national shortages