2023 Australian Payroll Survey Results

AUSTRALIAN PAYROLL ASSOCIATION
LEADING PAYROLL

FROM AUSTRALIAN PAYROLL ASSOCIATION'S CEO

I am pleased to introduce the Australian Payroll Survey 2023, which provides a comprehensive overview of the state of payroll management in Australia. This survey has been conducted with the objective of understanding the current payroll landscape and identifying the challenges and opportunities faced by organisations.

One of the key challenges facing organisations today is the difficulty in recruiting and retaining payroll talent. As the demand for skilled payroll professionals continues to increase, it has become imperative for organisations to not only attract but also retain the right talent. This survey aims to provide insights into the current payroll talent market and the strategies organisations can adopt to address this challenge.

Another crucial aspect of payroll management is compliance with regulatory requirements especially in the current environment of an ongoing focus by regulators to identify and prosecute employers with payroll compliance issues. With the introduction of new regulations and the increasing scrutiny on payroll processes, it is more important than ever for organisations to ensure compliance and mitigate the risk of non-compliance.

I would like to express my sincere thanks to all the participants who have contributed to this survey. Your insights and experiences have helped us to understand the current state of payroll management in Australia. We hope that the data presented in this survey will be useful to you in your payroll operations.

I encourage all organisations to use this survey as a benchmark for their payroll operations and to identify areas for improvement. By adopting best practices and implementing effective strategies, organisations can not only ensure compliance but also drive business performance.

Thank you again for your participation, and I wish you all the best in your payroll operations.

Best regards,

Tracy Angwin

2023
Australian Payroll
Survey Results

KEY

TAKEAWAYS

01 **31.2% of payroll professionals expect to change jobs in the next 12 months** with 39.6% of those identifying efficient payroll technology and processes as the most important factor in their search for a new role.

02 Two out of Five payroll professionals are suffering from burnout and **48.5% of those identified lack of leadership and understanding of payroll to be the key contributor** to this.

03 55.7% of payroll professionals say their **workload has increased** since the pandemic.

04 Payroll processes and technology were the **biggest challenges** (38.7%) while flexibility was the least (6.2%).

05 17.1% of payroll professionals have a **Nationally Accredited payroll qualification** at Certificate or Diploma level.
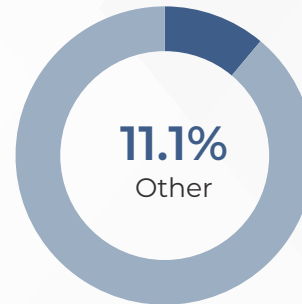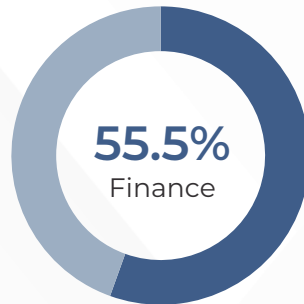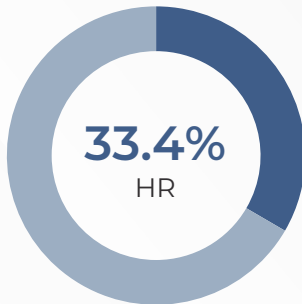
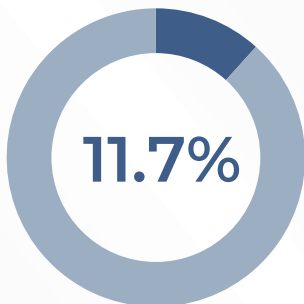# SURVEY DEMOGRAPHICS

2,178

Number of respondents

Employer size

Respondents have between **50 employees** to over **100,000 employees** on their payrolls. The majority of those surveyed have between **101 and 3000 employees** on their payrolls.
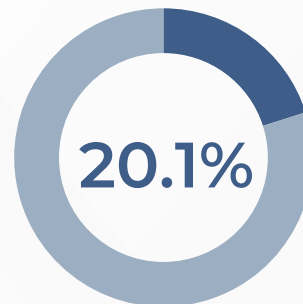
Where does payroll report?

33.4%
HR

55.5%
Finance

11.1%
Other

Employee Turnover

11.7%

vs.

20.1%

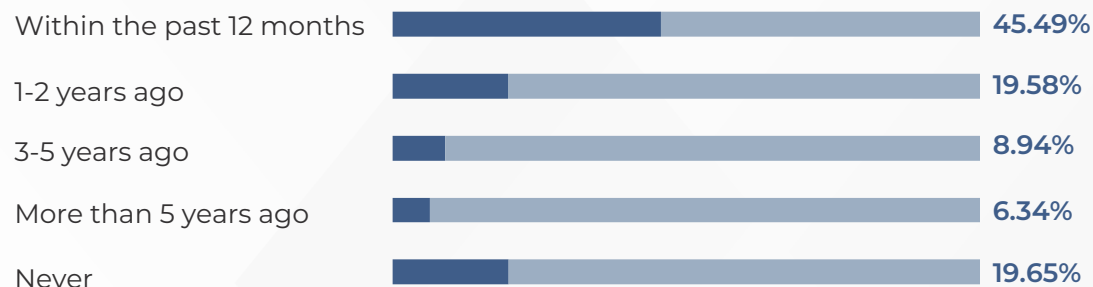average turnover in the **payroll officers** of the respondents

average turnover of **all employees** of the respondents

PAYROLL SUPPORT AND COMPLIANCE

With so many employers getting the attention of regulators in the form of audits, respondents were asked when the last time their payroll operation underwent a process and compliance audit. This is a more thorough audit than a financial audit and covers award interpretation, leave compliance, superannuation compliance, process, governance and controls.

When was your last payroll process and compliance audit?

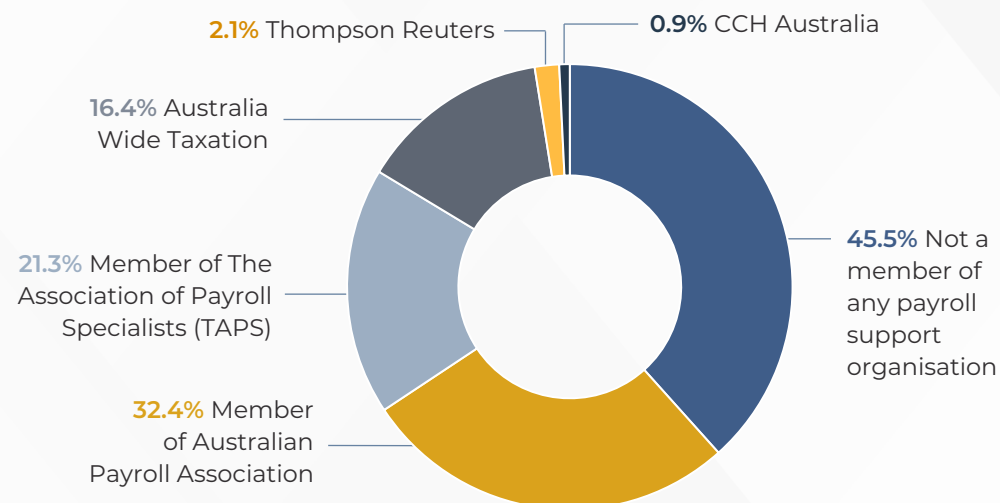|	
Within the past 12 months	**45.49%**
1-2 years ago	**19.58%**
3-5 years ago	**8.94%**
More than 5 years ago	**6.34%**
Never	**19.65%**

Australian Payroll Association recommends a payroll compliance and process review for all employers every 12-24 months due to the number of changes to employment regulations that happen on a constant basis.

Supporting Your Payroll Team

Respondents were asked if they were an existing member of a payroll support service providing advisory on aspects of technical and legislative payroll.

Almost half of the respondents are not currently a member of a payroll support organisation. Note that the total does not equal 100% due to employers having memberships with multiple employers.

One of the most effective ways to support a payroll function, whether it's in-house or outsourced, is to join a payroll membership organisation. Giving your payroll professionals access to specialist advisory services and resources will allow them to become more efficient and compliant.

2.1% Thompson Reuters
0.9% CCH Australia
16.4% Australia Wide Taxation
45.5% Not a member of any payroll support organisation
21.3% Member of The Association of Payroll Specialists (TAPS)
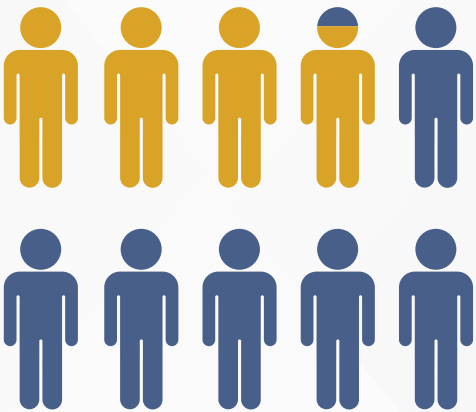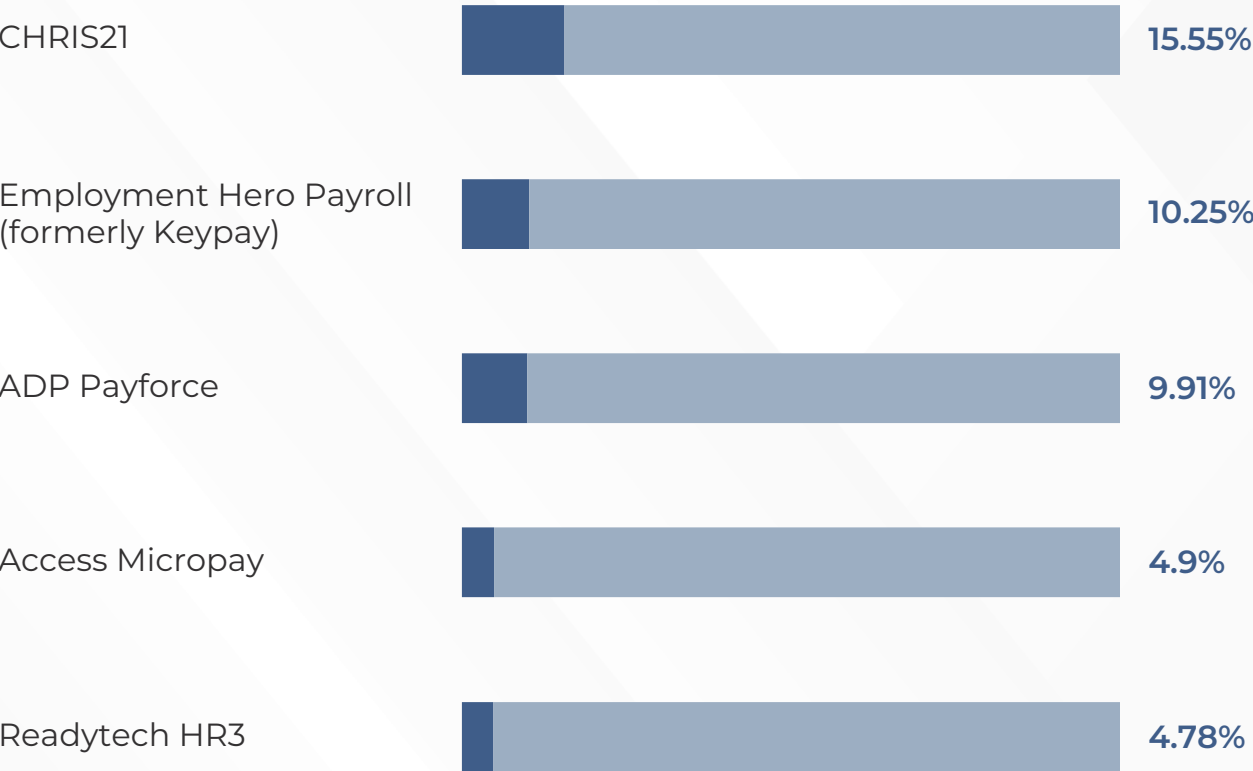**32.4%** Member of Australian Payroll Association

PAYROLL TECHNOLOGY

Each survey participant was asked to identify the payroll system that they used. The market share for all employer sizes is increasingly fragmented, with historical data showing a larger combined market share of the top three suppliers than the 2022 results.

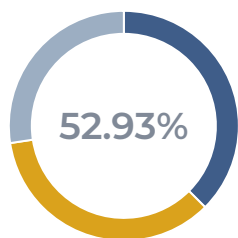## Top Five Most Commonly Used Products

Product	Market Share
CHRIS21	15.55%
Employment Hero Payroll (formerly Keypay)	10.25%
ADP Payforce	9.91%
Access Micropay	4.9%
Readytech HR3	4.78%

38.5%

of employers expect to review their payroll technology in the next 12 months.

PAYROLL TECHNOLOGY (CONT.)

< 50 employees

52.93%

Market share of top three payroll systems

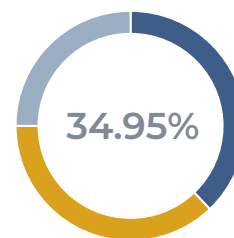- Xero - 19.85%
- Payline - 18.58%
- EH Payroll - 14.5%

51-100 employees

42.71%
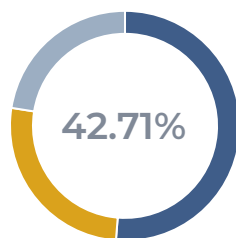
Market share of top three payroll systems

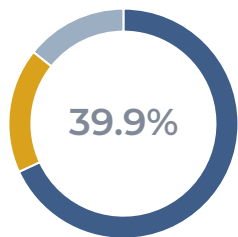- EH Payroll - 20.92%
- Payline - 10.71%
- Payforce - 9.18%

101-250 employees

34.95%

Market share of top three payroll systems
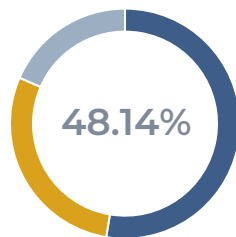
- EH Payroll - 16.18%
- Payforce - 15.85%
- CHRIS21 - 10.68%

251-500 employees

39.9%

Market share of top three payroll systems

- CHRIS21 - 26.5%
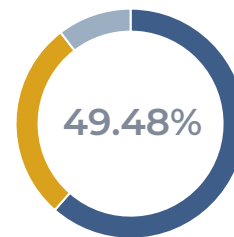- EH Payroll - 6.84%
- Access Micropay - 5.56%

501-1000 employees

48.14%

Market share of top three payroll systems

- CHRIS21 - 25.33%
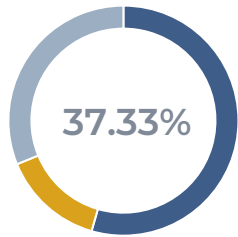- Payforce - 13.92%
- Access Micropay - 8.89%

1,001-3,000 employees

49.48%

Market share of top three payroll systems

- CHRIS21 - 30.41%
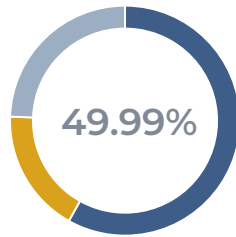- Payforce - 13.92%
- Access Micropay - 5.15%

3,001-5,000 employees

37.33%

Market share of top three payroll systems

- CHRIS21 - 25.33%
- Preceda - 6.67%
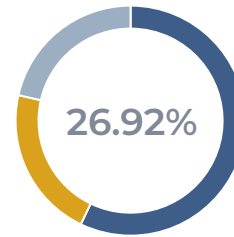- Access Micropay - 5.33%

5,001-10,000 employees

49.99%

Market share of top three payroll systems

- CHRIS21 - 34.48%
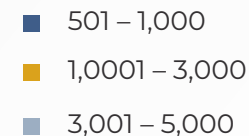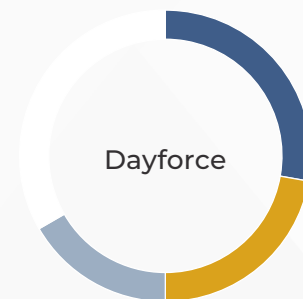- Preceda - 10.34%
- Access Micropay - 5.17%

10,000+ employees

26.92%

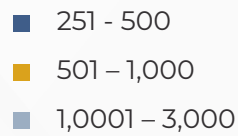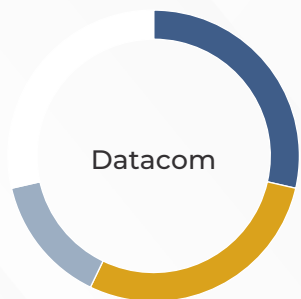**Market share of top three payroll systems**

- CHRIS21 - 15.38%
- UKG - 5.77%
- Globalview - 5.77%

PAYROLL TECHNOLOGY (CONT.)

For each product that had a statistically relevant number of responses, we have plotted the most common employer sizes that use the product.

ADP / GlobalPay
- 1,0001 – 3,000
- 251 - 500
- 5,001+

ADP / Payforce
- 101 - 250
- 501 – 1,000
- 251 - 500

ADP / Payline
- <50
- 51 - 100
- 101 - 250

Affinity Employer Services
- 251 - 500
- 501 – 1,000
- 1,0001 – 3,000

Attache
- 251 - 500
- 101 - 250
- 51 - 100

Aurion
- 1,0001 – 3,000
- 501 – 1,000
- 251 - 500

Aussiepay
- <50
- 101 - 250
- 51 - 100

Datacom
- 251 - 500
- 501 – 1,000
- 1,0001 – 3,000

Dayforce
- 501 – 1,000
- 1,0001 – 3,000
- 3,001 – 5,000

PAYROLL TECHNOLOGY (CONT.)

For each product that had a statistically relevant number of responses, we have plotted the most common employer sizes that use the product.

Definitiv
- 251 - 500
- 501 – 1,000
- 101 - 250

e-payday
- <50
- 51 - 100
- 101 - 250
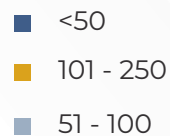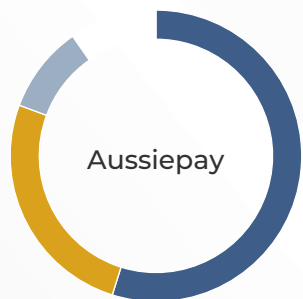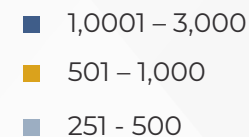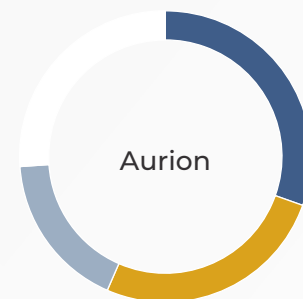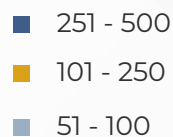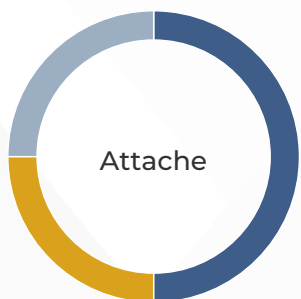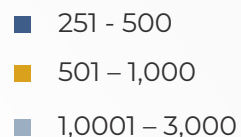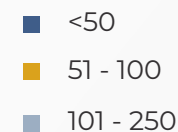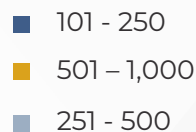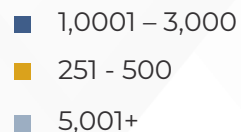
Frontier Software (CHRIS21)
- 251 - 500
- 1,0001 – 3,000
- 501 – 1,000

Readytech HR3
- 101 - 250
- 51 - 100
- 501 – 1,000

Employment Hero Payroll (formerly Keypay)
- <50
- 101 - 250
- 51 - 100

Access Micropay
- 101 - 250
- 501 – 1,000
- 251 - 500
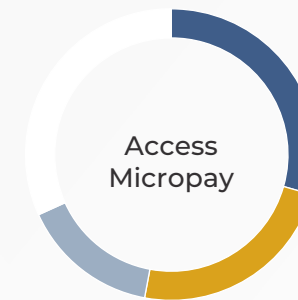
Microkeeper
- 501 – 1,000
- 251 - 500
- 51 - 100

MYOB
- <50
- 51 - 100
- 101 - 250
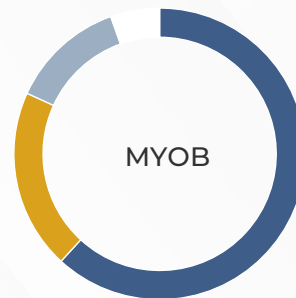
PayGlobal
- 1,0001 – 3,000
- 501 – 1,000
- 3,001 – 5,000

PAYROLL TECHNOLOGY (CONT.)

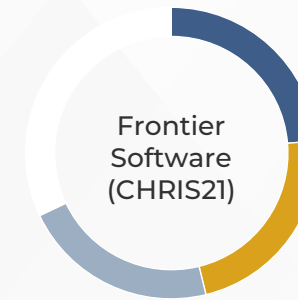For each product that had a statistically relevant number of responses, we have plotted the most common employer sizes that use the product.
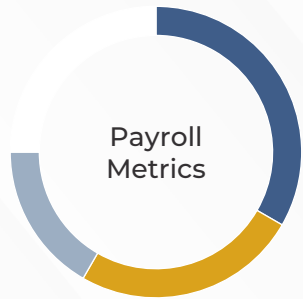
Payroll Metrics
- 1,0001 – 3,000
- 101 - 250
- 251 - 500
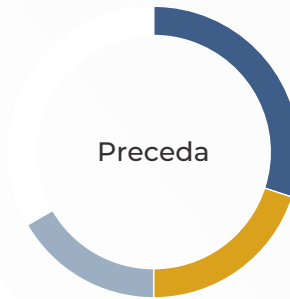
Preceda
- 1,0001 – 3,000
- 5,001+
- 501 – 1,000
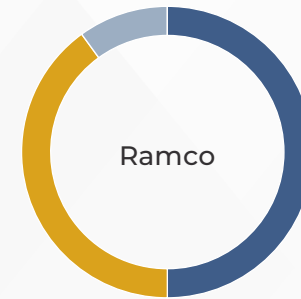
Ramco
- 3,001 – 5,000
- 1,0001 – 3,000
- 51 - 100

Reckon
- <50
- 101 - 250
- 51 - 100

Technology One
- 251 - 500
- 501 – 1,000
- 1,0001 – 3,000
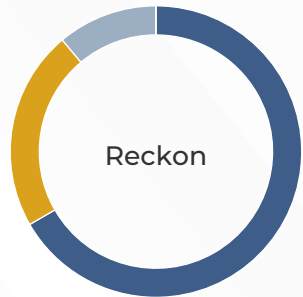
WageEasy
- 51 - 100
- 101 - 250
- 251 - 500
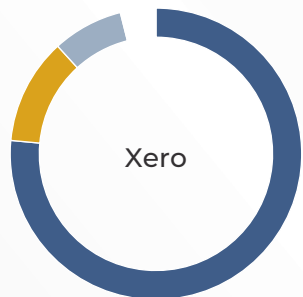
Xero
- <50
- 51 - 100
- 101 - 250

PAYROLL DELIVERY STRATEGY

Respondents were asked if they have an outsourcing arrangement to deliver payroll in their organisation. The number of employers choosing to outsource their payroll rather than run an in-house function has slightly decreased over previous years. Historically we have seen the highest percentages of outsourcing payroll at the smallest and largest employer sizes. This year we see a broadening of employer sizes choosing to outsource payroll.

The number of those using outsourcing services remains consistent with previous years at

23.6%

Payroll Outsourcing

Employers outsource their payroll function based on employer size.

Employer Size	Percentage
<50	30.98%
51 – 100	29.29%
101 – 250	28.39%
251 – 500	19.57%
501 – 1,000	11.95%
1,001 – 3,000	14.43%
3,001 – 5,000	3.95%
5,001 – 10,000	13.79%
10,001 +	26.92%
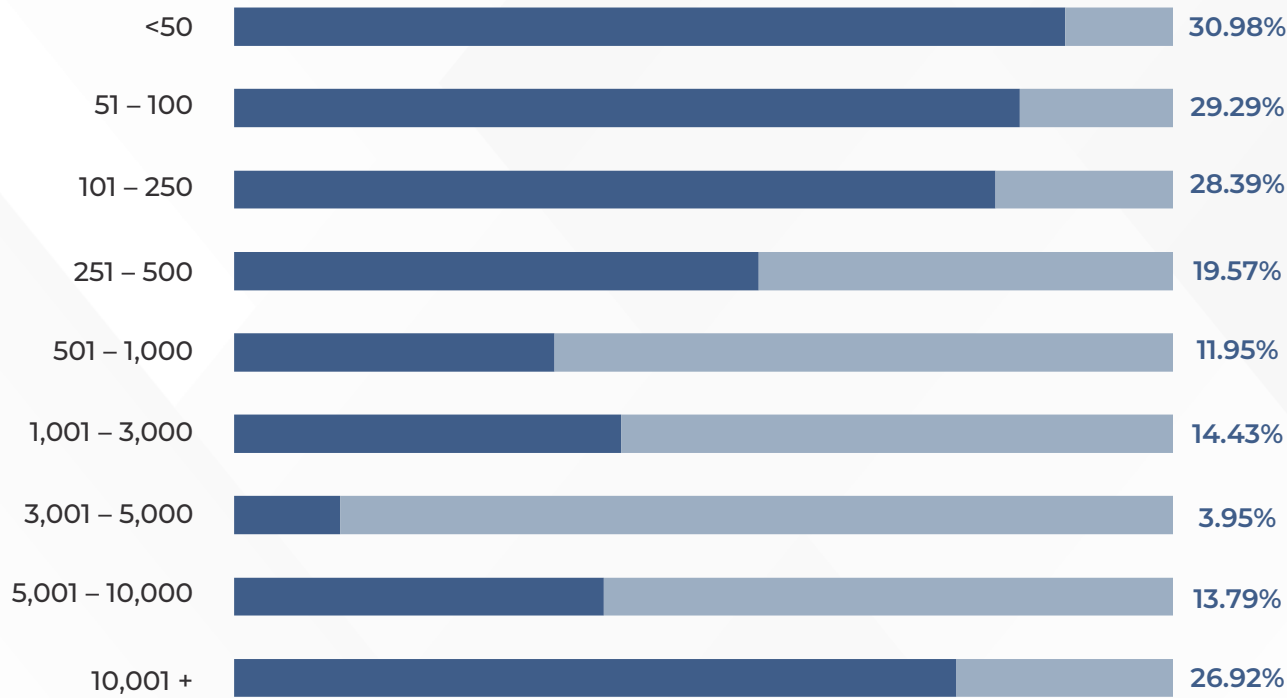
PAYROLL SALARY SURVEY (TABLE)

Role	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	National
Payroll compliance		159,790		112,400			154,855	148,723	142,950
Payroll Manager	109,143	134,270	95,794	125,792	123,185		128,344	125,918	128,721
Payroll Officer	85,590	85,918	68,500	87,498	78,901	84,918	91,438	88,810	87,710
Payroll projects		165,650		132,000	150,000	138,333	118,404	107,333	134,552
Payroll Team Leader	115,000	114,921		113,732	101,252	126,070	117,524	112,351	114,886
Senior Payroll Officer	87,000	100,482	99,954	87,116	97,555	93,781	100,963	99,423	97,604
Average Salary by State	**103,762**	**132,696**	**98,765**	**113,972**	**118,585**	**107,172**	**123,268**	**117,413**	**122,863**

*Salaries are inclusive of superannuation and bonus.

PAYROLL SALARY SURVEY (VISUAL)

Roles: Payroll Compliance, Payroll Manager, Payroll Officer, Payroll Projects, Payroll Team Leader, Senior Payroll Officer, Average Salary
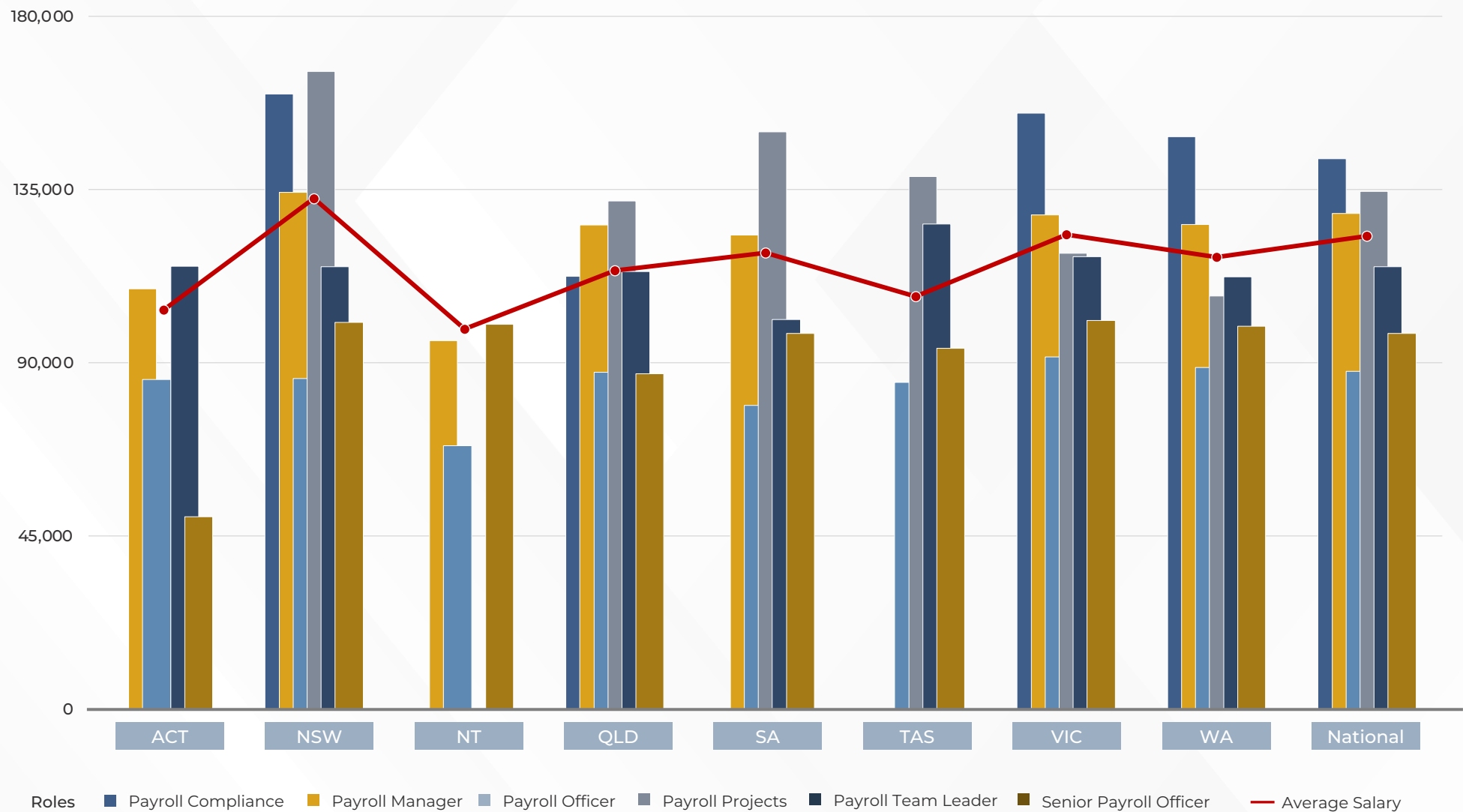
KNOWLEDGE AND SUPPORT

Payroll Knowledge

Do you feel you and/or your team has the knowledge required to ensure your payroll is fully compliant with payroll legislation?

YES ▬▬▬▬▬▬▬ **76.7%**

NO ▬▬▬ **23.3%**
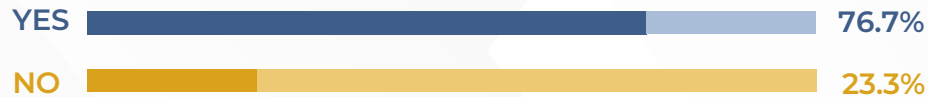
Do you think your employer provides the necessary support, training and resources to ensure a fully compliant payroll operation?

YES ▬▬▬▬▬▬ **64.7%**

NO ▬▬▬▬ **35.3%**

Payroll Training

How many days of specialised payroll training or professional development did you complete in the last 12 months?

Average **1.6 Days**

Qualifications

Payroll qualifications are becoming more prevalent in the payroll profession with 17.1% of survey respondents having a nationally accredited qualification in payroll.

9.9%

7.2%

Certificate IV in Payroll Administration

Diploma of Payroll Management

WHAT WILL THE NEXT 12 MONTHS BRING IN PAYROLL?

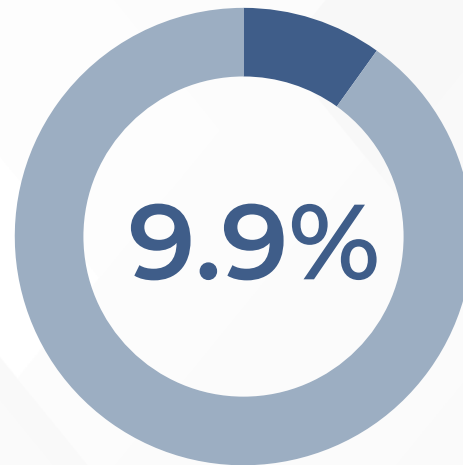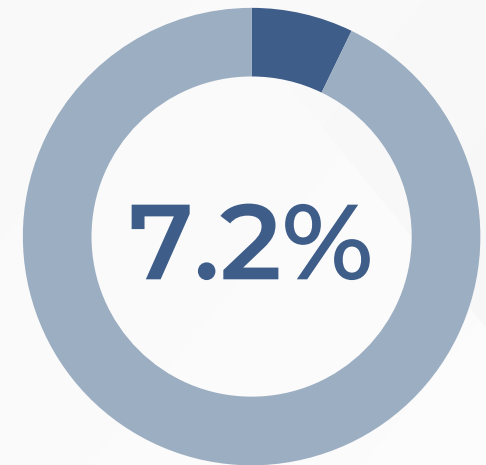Respondents were asked what was **most important in their search** for a new role.
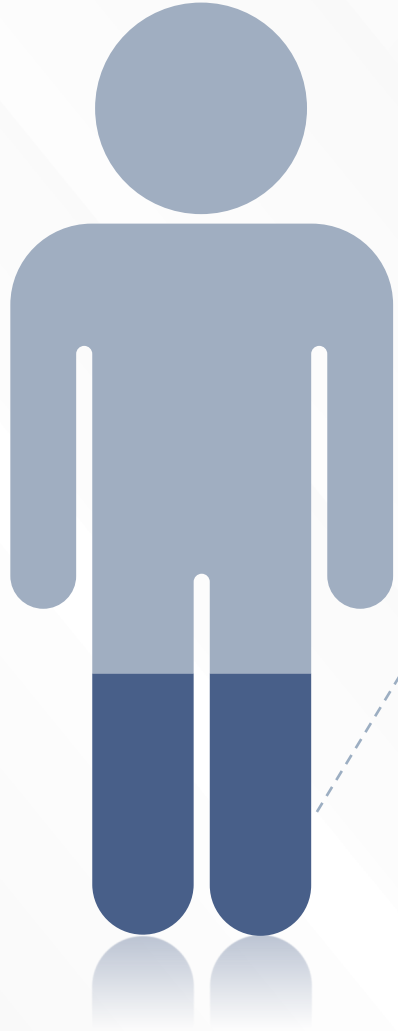
Efficient payroll technology and processes	**39.6%**
Manager and team	**23.3%**
Investment in learning and development	**13.1%**
Flexibility	**11.2%**
Remuneration	**8.6%**
Company purpose	**4.2%**

Why?

Potentially higher salary	**48.7%**
Seeking a better opportunity	**38.1%**
Current management	**26.7%**
Lack of recognition at current employer	**21.5%**
Current workload being too high	**21.1%**
Poor payroll systems and processes at current employer	**16.3%**
Lack of flexibility in current role	**12.0%**
Leaving the payroll industry	**7.8%**

31.2%
of payroll professionals **expect to change jobs** in the next 12 months.

Note that respondents could identify more than one option.

CURRENT PAYROLL CHALLENGES

Respondents were asked what the **biggest challenges** they were currently facing.

Payroll Technology and Processes
38.71%

32.89%
Award and EBA Interpretation

31.21%
Certainty of Payroll Compliance

24.68%
Payroll Team Resourcing

17.81%
**Leadership and Management**

14.31%
Lack of Training

6.24%
Flexibility

Note that respondents could identify more than one option.

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PAYROLL INDUSTRY WELLBEING
Workload

Payroll is an ever changing industry with regulations and laws changing on a regular basis. The global pandemic exacerbated these changes in Australia with the implementation of JobKeeper and other initiatives managed by the payroll function.

With general cost cutting throughout and following the pandemic, payroll professionals were asked about their current wellbeing.
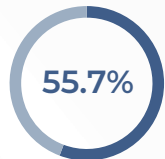
55.7% My workload has increased since the pandemic.

4.7% My workload has decreased since the pandemic
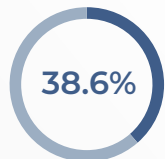
38.6% My workload has remained the same

39.4% Less than 40 hours

48.4% 41-50 hours

9.7% 51-60 hours
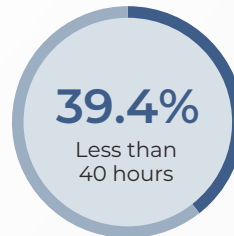
How many hours, on average, per week do you work?

2.5% More than 60 hours

PAYROLL INDUSTRY WELLBEING

Burnout

Two out of every five payroll professionals is suffering from burnout.
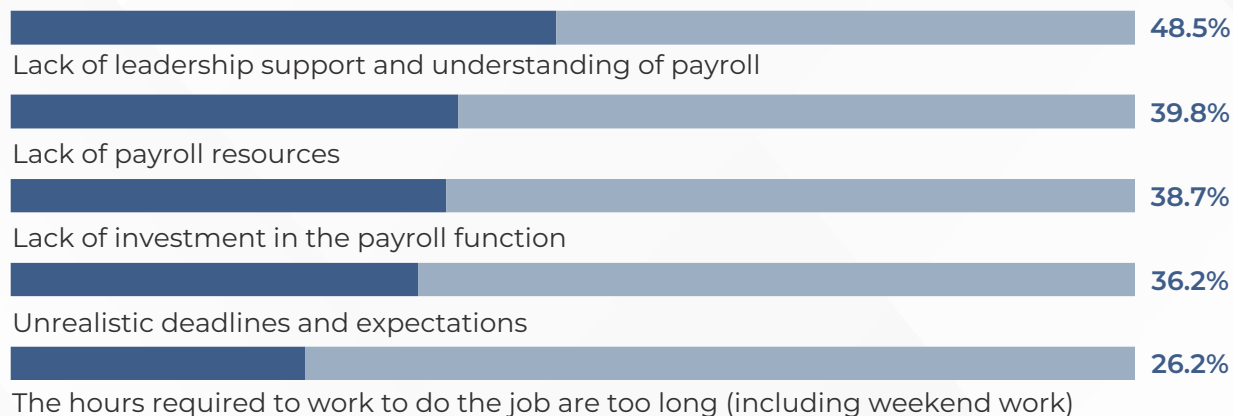
We have seen a trend with employers not understanding the payroll structure required to ensure a well-governed, compliant, and efficient payroll as well as staff not being replaced with the workload being shared with the rest of the team. With a war for payroll talent in 2023, this issue is difficult to solve. Australian Payroll Association believes that investment in the payroll team to support retention is the most effective strategy along with reviewing the payroll function for inefficiencies.

Survey respondents were asked if they felt they may be suffering from burnout.

41.3%
Yes, I feel I may be suffering from burnout

58.7%
No, I am not suffering from burnout
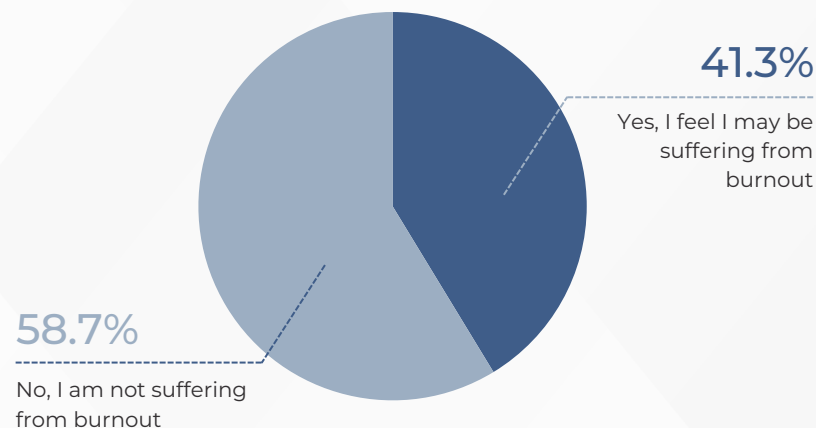
Of those who identified as suffering from burnout, were asked what factors contributed to it.

Note that respondents could choose more than one option.

48.5%
Lack of leadership support and understanding of payroll

39.8%
Lack of payroll resources

38.7%
Lack of investment in the payroll function

36.2%
Unrealistic deadlines and expectations

26.2%
The hours required to work to do the job are too long (including weekend work)

Payroll is...

Respondents were given up to three words to describe payroll.

AUSTRALIAN PAYROLL ASSOCIATION (APA)

A professional organisation that provides a range of services related to payroll management and support of payroll professionals. These include:

Payroll Training

APA offers a range of training courses, both online and in-person, designed to help payroll professionals improve their skills and knowledge. These courses cover a range of topics, from the basics of payroll processing to advanced tax and compliance issues.

Qualifications

APA also offers qualifications at Diploma and Certificate IV level through Australian Payroll Institute. These qualifications are widely recognised in the industry and demonstrates a commitment to excellence in payroll administration and management.

Events and Networking

APA hosts regular events and summits, providing opportunities for payroll professionals to network with their peers and stay up to date on the latest trends and issues in the industry.

Payroll Membership

APA provides a range of resources to help payroll professionals stay informed and ensure their knowledge is up to date. These include access to our payroll support line, member newsletters, monthly training webinars, and access to a range of online resources.

Payroll Recruitment

APA understands the importance of having the right talent in your payroll team. Whether you are looking to hire payroll staff or seeking new opportunities, our Payroll Talent Updates service can help you achieve your goals.

Payroll Consulting

APA provides consultancy services in all aspects of the payroll process. This can include compliance and process reviews, payroll delivery strategy or remediation and backpay calculation.

To contact the APA or book their services, you can visit their website at www.austpayroll.com.au or call them at 1300 729 455.