

2024

# Australian Payroll Survey Results



# SURVEY DEMOGRAPHICS

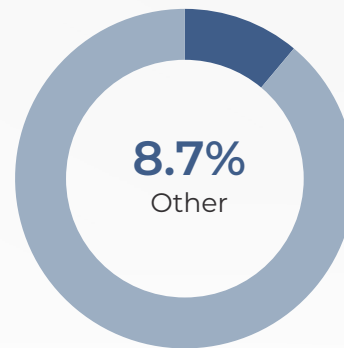
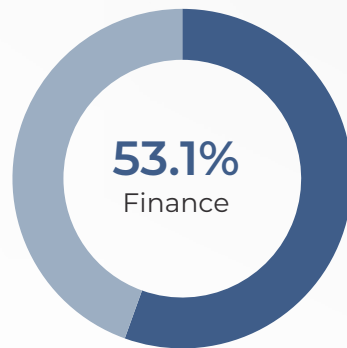
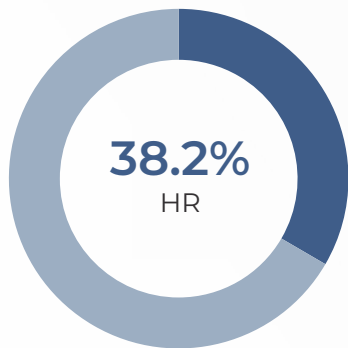
## 2,084

Number of respondents

## Employer size

Respondents have between **50 employees** to **240,000 employees** on their payrolls. The majority of those surveyed have between **101 and 5,000 employees** on their payrolls.

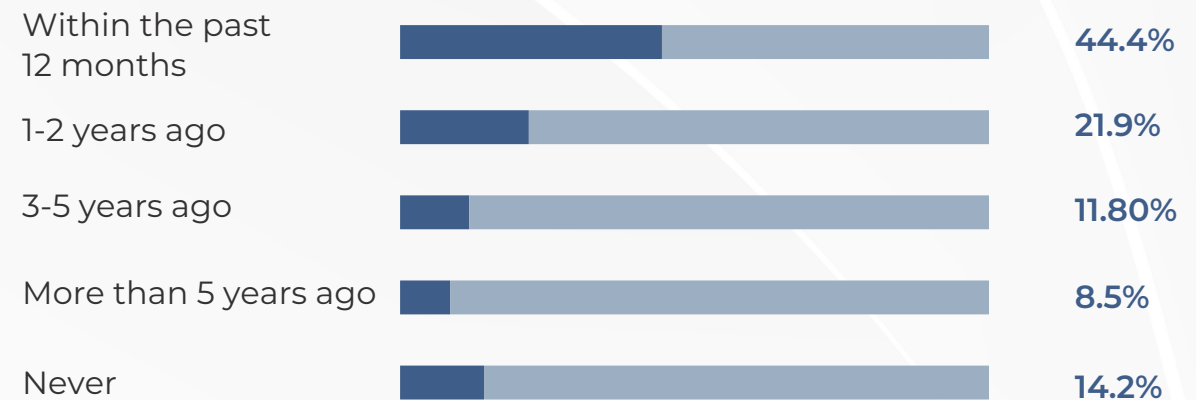
## Where does payroll report?



# 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?



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.

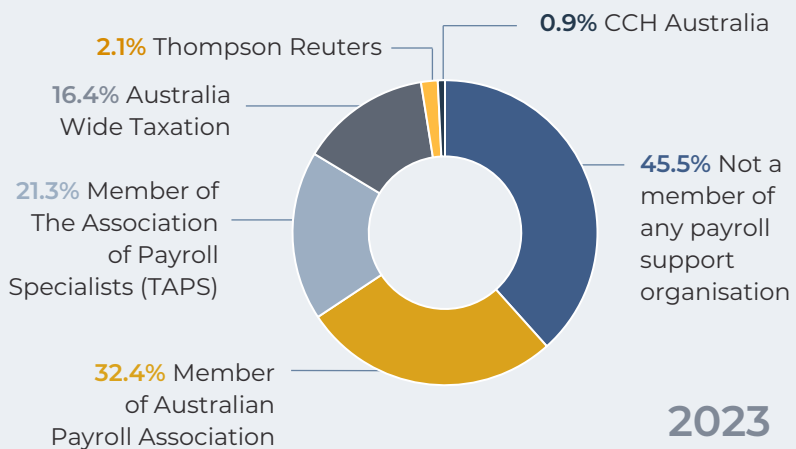
# PAYROLL SUPPORT AND COMPLIANCE

## Supporting Your Payroll Team

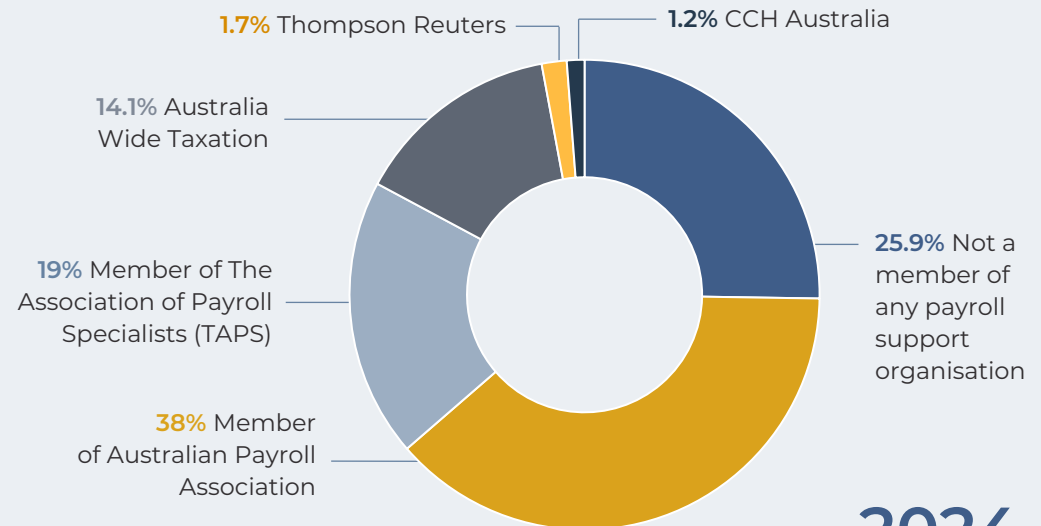
Respondents were asked if they were an existing member of a payroll support service providing advisory on aspects of technical and legislative payroll.

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 support services.

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.



2023



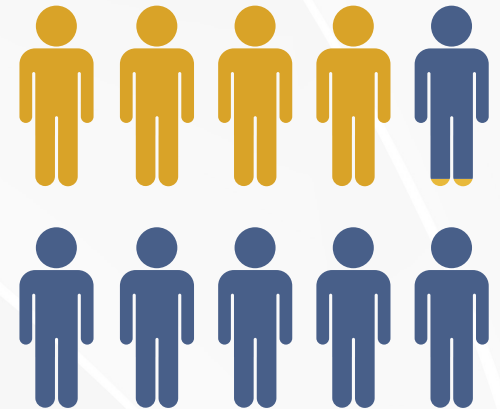
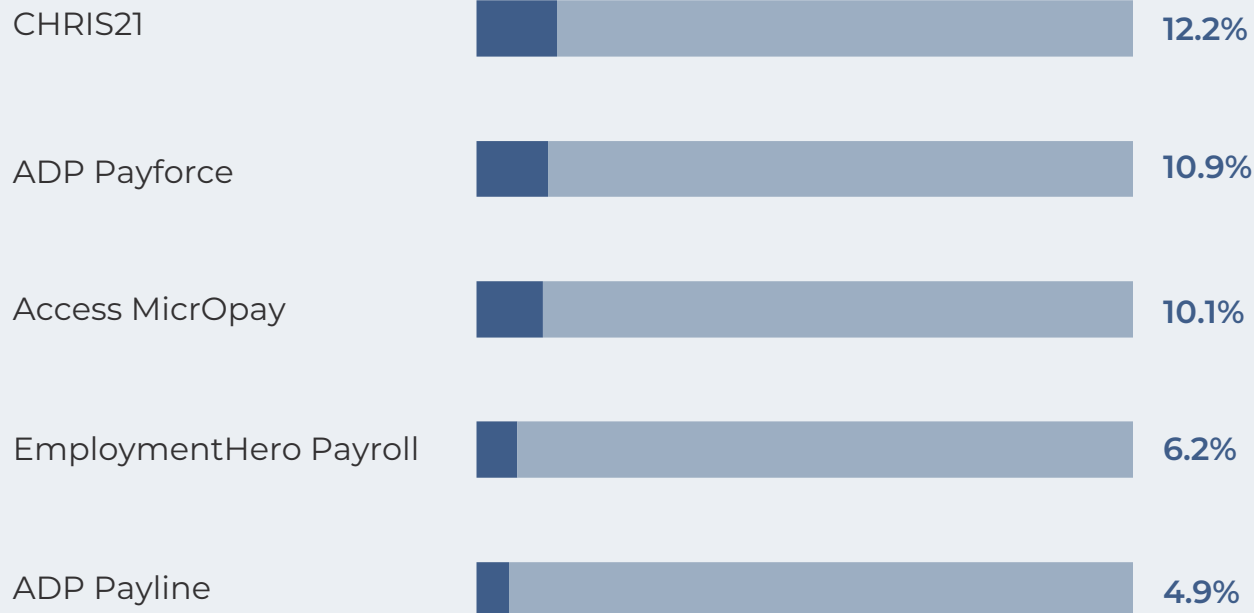
2024

# 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

**44.3%** of market

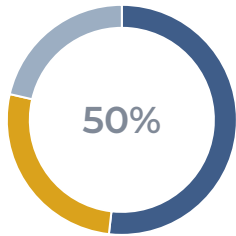


**41.1%**

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

# PAYROLL TECHNOLOGY (CONT.)

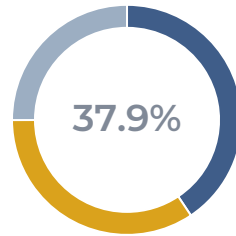
## < 50 employees



Market share of top three payroll systems

- ADP Payline - 25.9%
- Xero - 13.4%
- MYOB - 10.7%

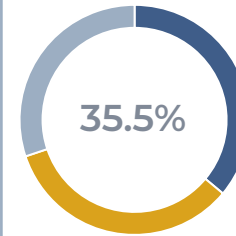
## 51-100 employees



Market share of top three payroll systems

- Xero - 14.9%
- ADP Payline - 12.6%
- EmploymentHero Payroll - 10.3%

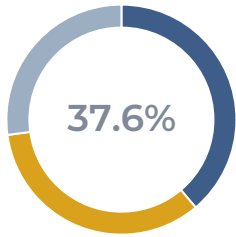
## 101-200 employees



Market share of top three payroll systems

- ADP Payforce - 12.8%
- Access MicroPay - 12.0%
- EmploymentHero Payroll - 10.7%

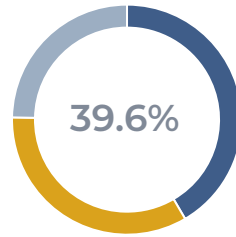
## 200-500 employees



Market share of top three payroll systems

- ADP Payforce - 14.6%
- Access MicroPay - 12.8%
- CHRIS21 - 10.2%

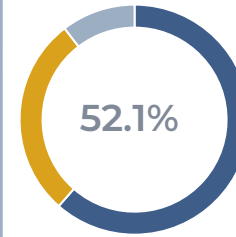
## 501-1000 employees



Market share of top three payroll systems

- CHRIS21 - 16.5%
- Access MicroPay - 13.4%
- ADP Payforce - 9.8%

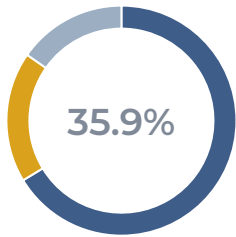
## 1,001-2,000 employees



Market share of top three payroll systems

- CHRIS21 - 26.5%
- ADP Payforce - 12.8%
- Access MicroPay - 12.8%

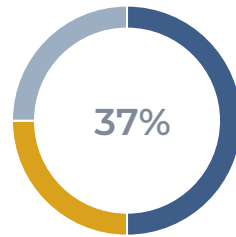
## 2,001-5,000 employees



Market share of top three payroll systems

- CHRIS21 - 23.1%
- MYOB PayGlobal - 6.4%
- SAP - 6.4%

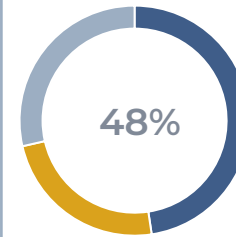
## 5,001-10,000 employees



Market share of top three payroll systems

- ADP GlobalPay - 14.8%
- CHRIS21 - 7.4%
- Preceda - 7.4%

## 10,000+ employees



Market share of top three payroll systems

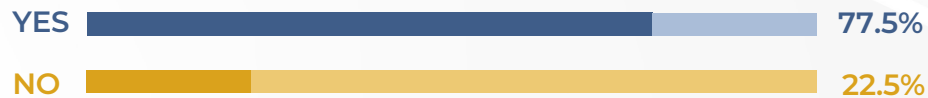
- SAP - 20%
- CHRIS21 - 10%
- Preceda - 12%



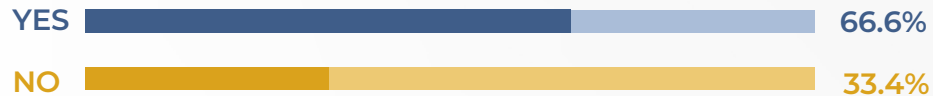
# KNOWLEDGE AND SUPPORT

## Payroll Knowledge

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



Do you think your employer provides the necessary support, training and resources to ensure a fully compliant payroll operation?



## Payroll Training

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

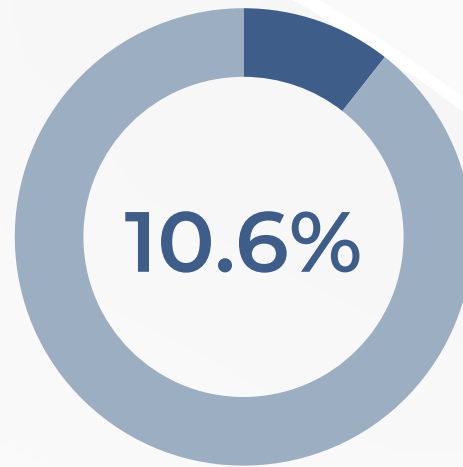
Average **2.2 Days**



# KNOWLEDGE AND SUPPORT (CONT.)

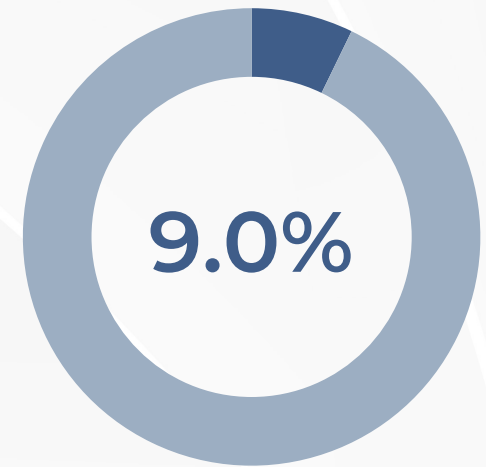
## Qualifications

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



Certificate IV in Payroll  
Administration  
Movement

9.9% – 10.6%

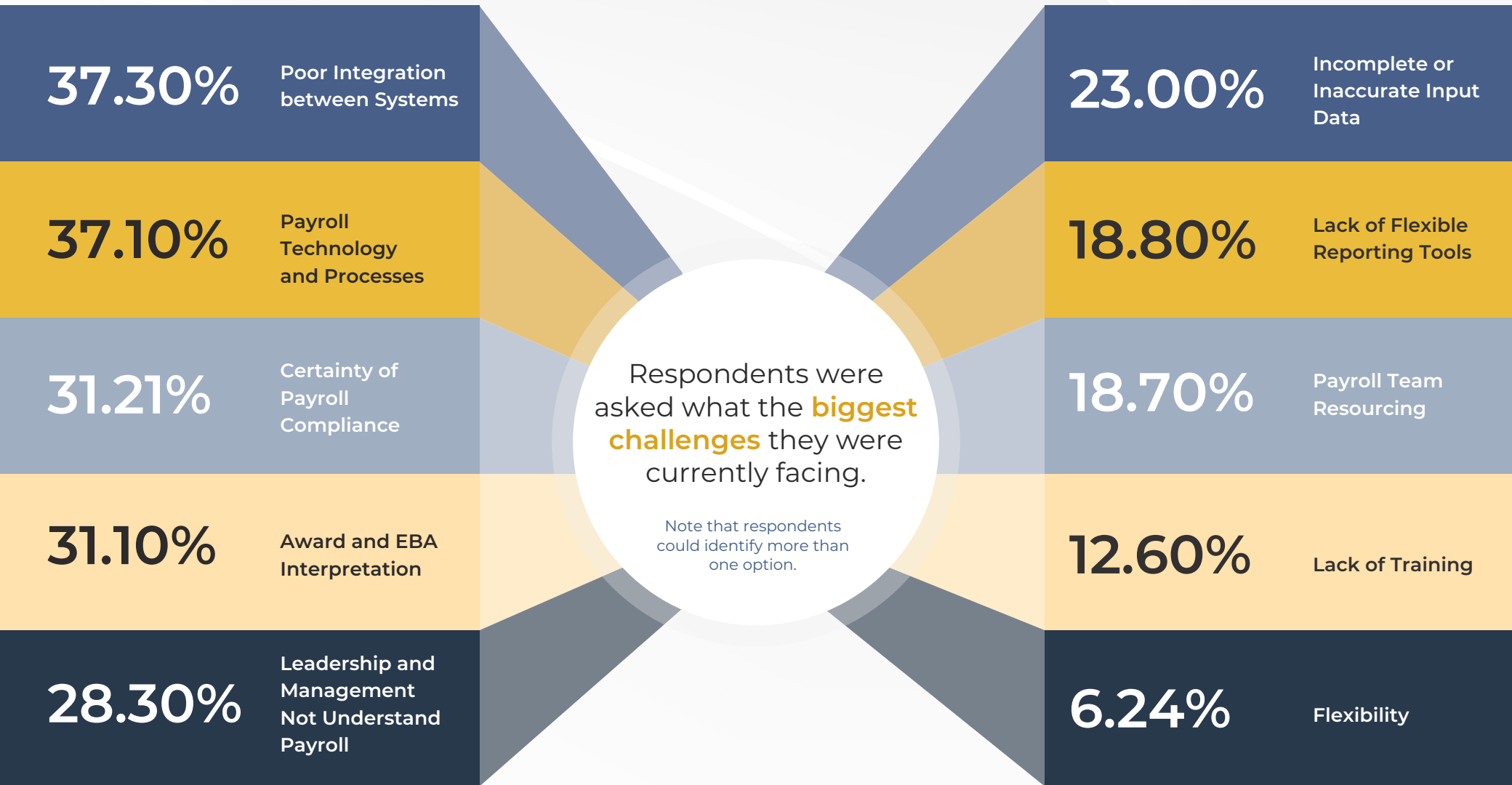


Diploma of Payroll  
Management

7.2% – 9.0%

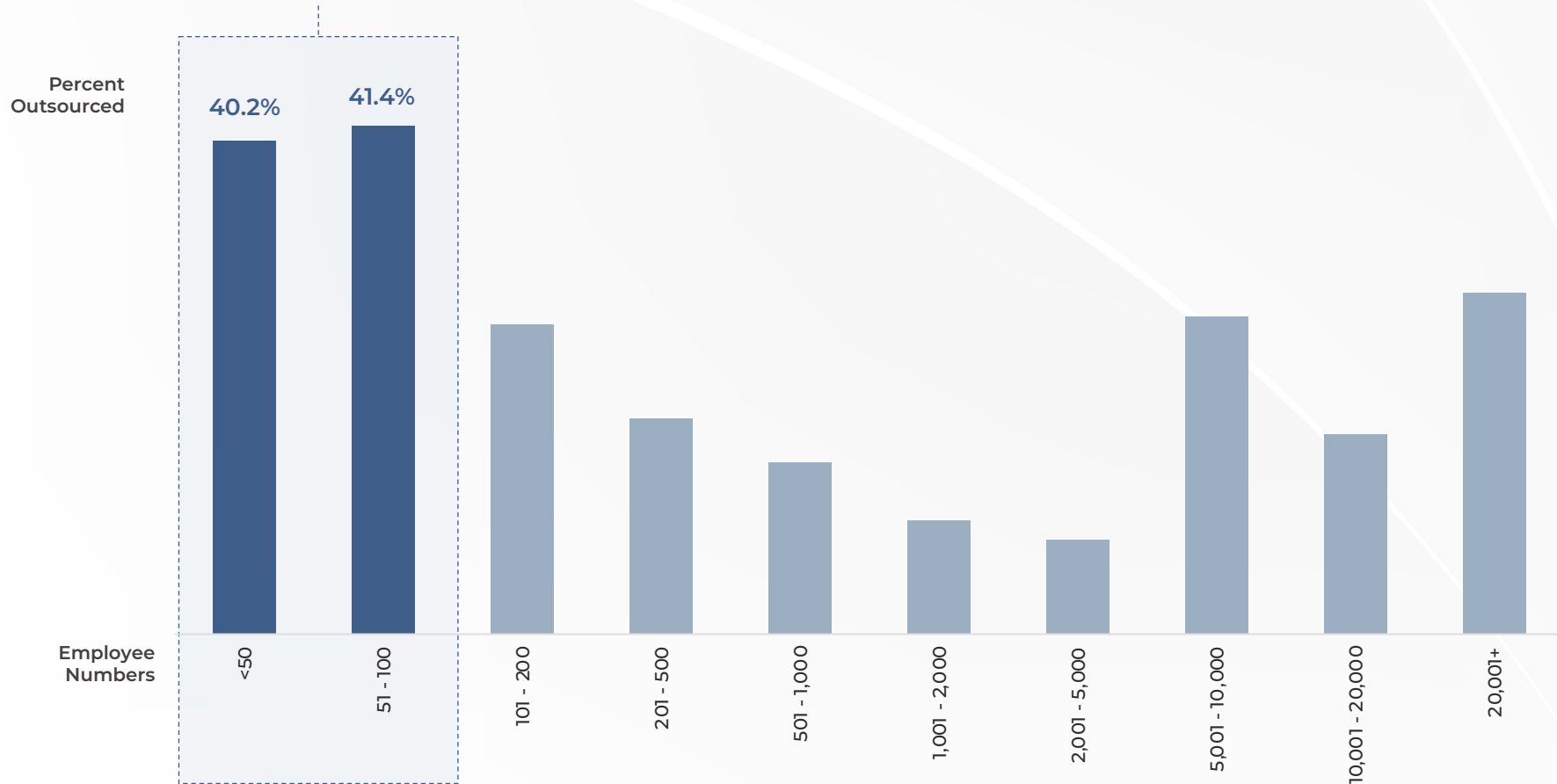


# CURRENT PAYROLL CHALLENGES



# PAYROLL OUTSOURCING

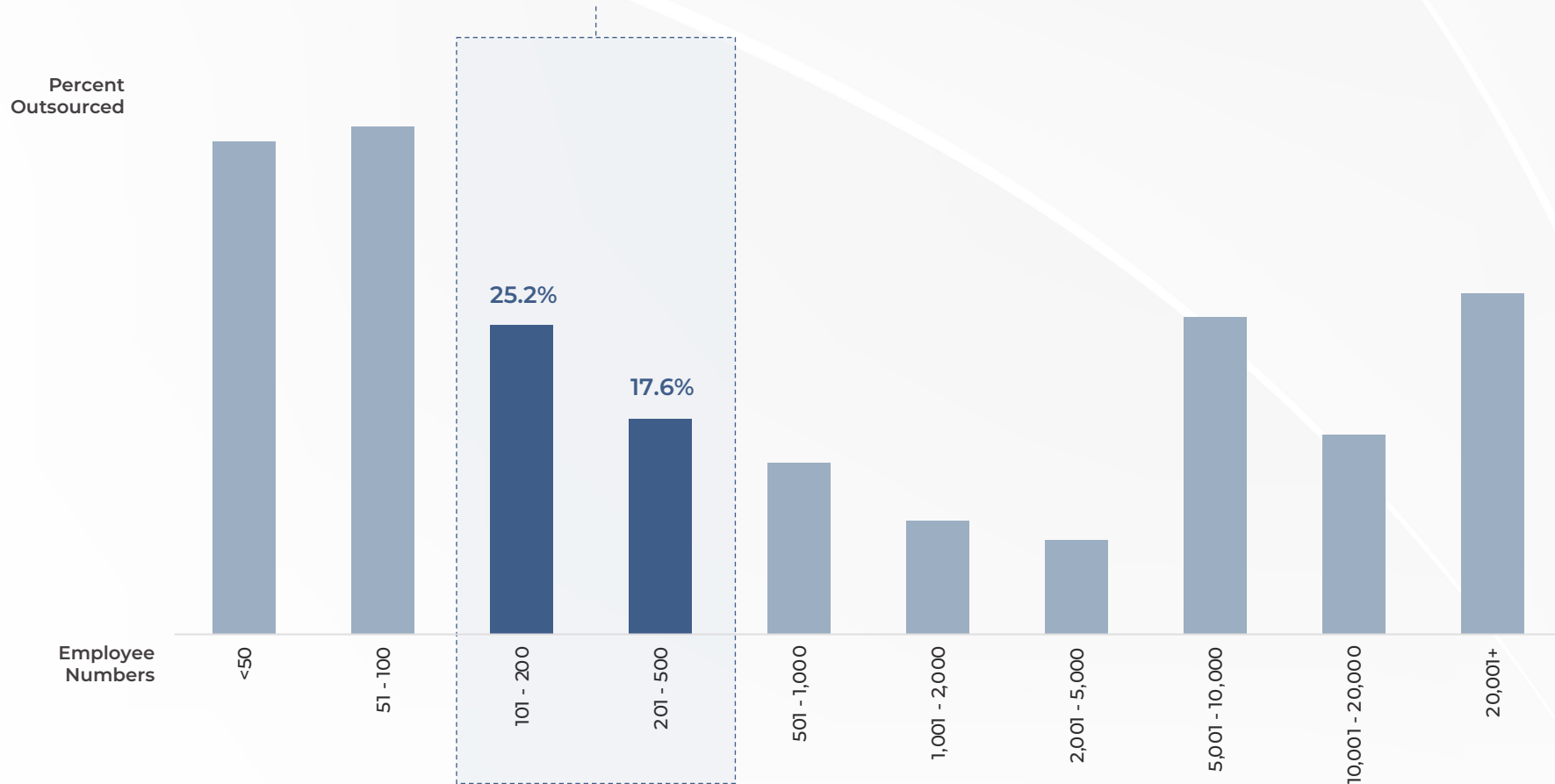
There is a notably high rate of outsourcing amongst the smallest employers with less than 100 employees, where 40.2% and 41.4% of them outsource their payroll, respectively. This high percentage may stem from a lack of in-house resources or expertise to manage payroll effectively, making outsourcing a more viable and cost-effective solution for small businesses.



The data provides interesting insights into how the propensity to outsource payroll is influenced by employer size.

# PAYROLL OUTSOURCING

As employer size increases to between 101 - 500 employees, there's a marked decrease in the proportion of employers who outsource, dropping to 25.2% and 17.6%. This suggests that as businesses grow, they may be more inclined to bring payroll operations in-house, possibly due to a desire for greater control, the development of internal capabilities, or the economic scale where managing payroll internally becomes more cost-effective.



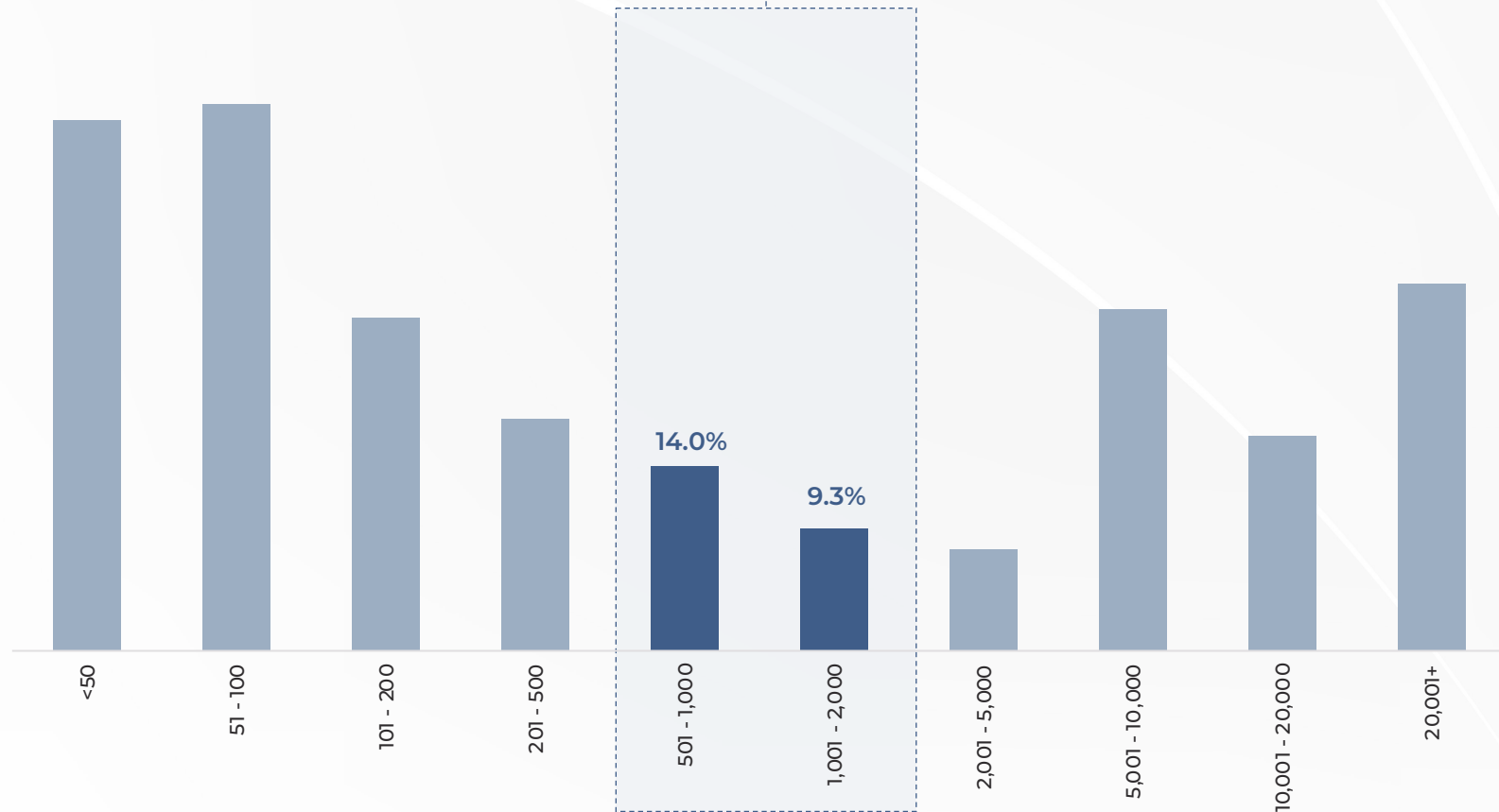
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# PAYROLL OUTSOURCING

Interestingly, the propensity to outsource payroll dips to its lowest among employers with 501-2,000 employees, with only 14.0% to 9.3% outsourcing their payroll. This could reflect a stage where businesses have developed robust internal payroll teams and systems to manage their needs more efficiently than external providers.

Percent Outsourced

Employee Numbers



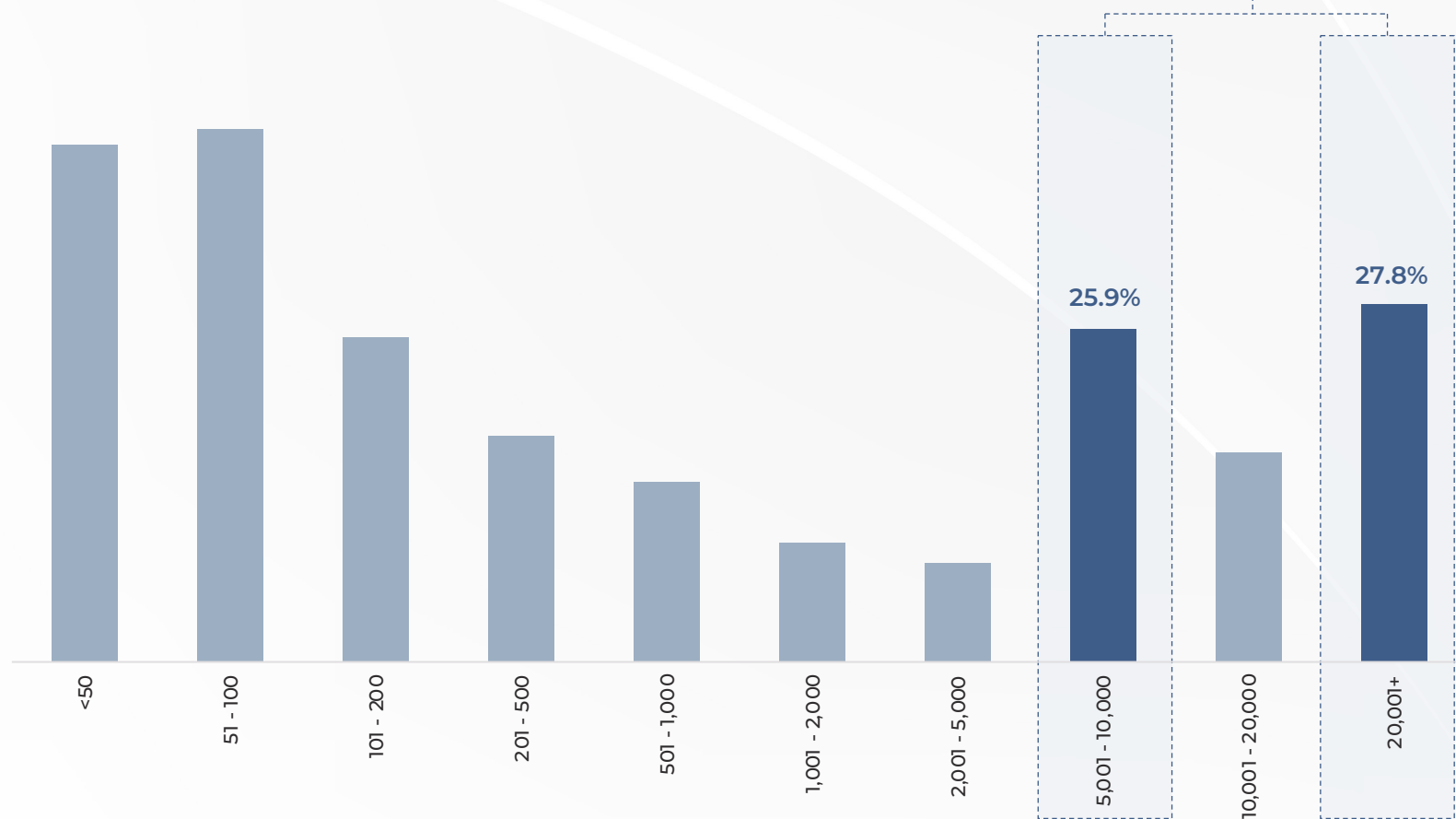
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# PAYROLL OUTSOURCING

However, there is a resurgence in outsourcing for very large employers with 5,001-10,000 and 20,000+ employees, at 25.9% and 27.8% respectively. For these large organisations, the complexity and scale of payroll operations may drive them to outsource to ensure compliance, benefit from specialised expertise, and manage risks more effectively, despite having significant in-house capabilities.

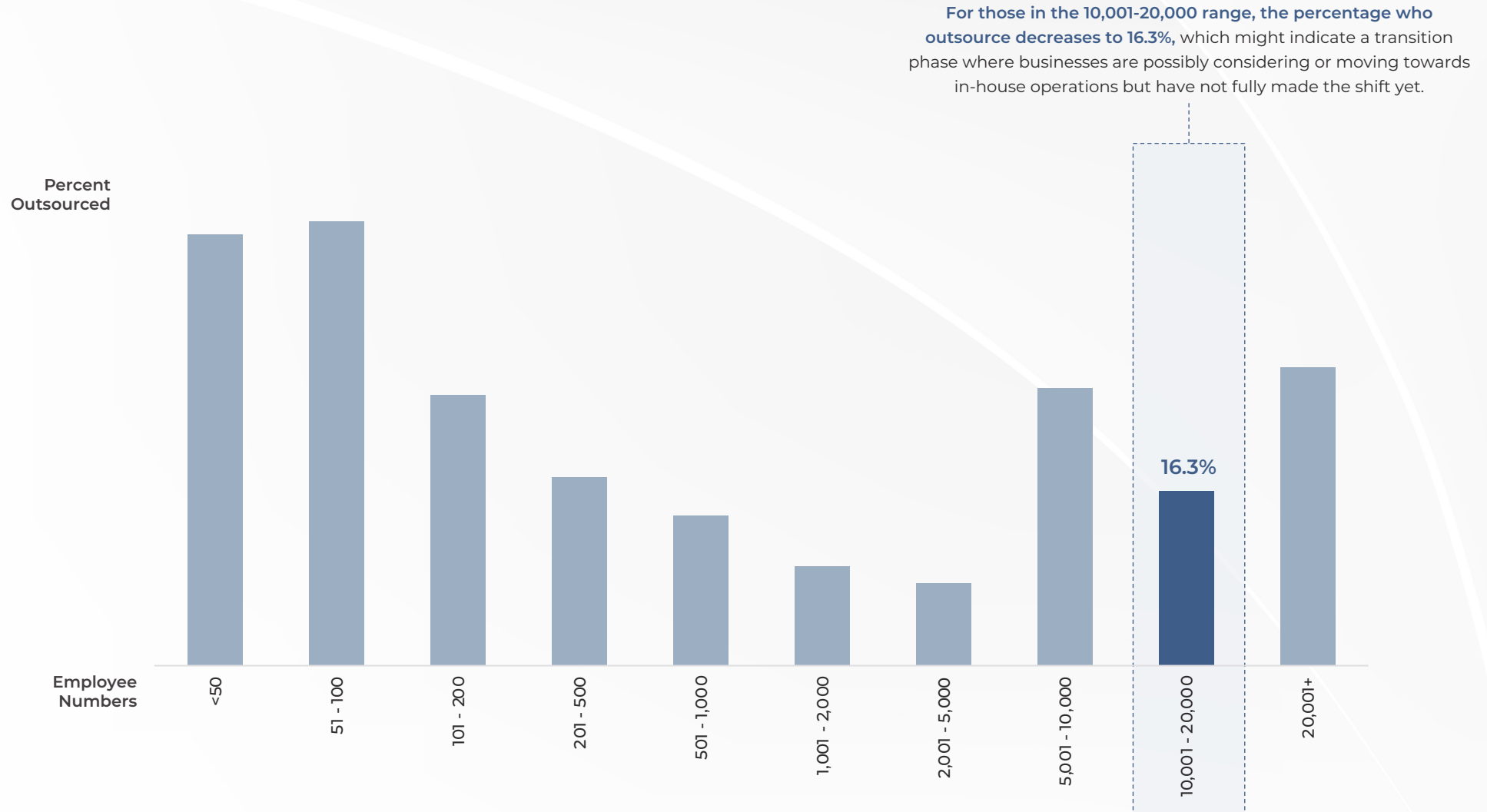
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Employee Numbers



The data provides interesting insights into how the propensity to outsource payroll is influenced by employer size.

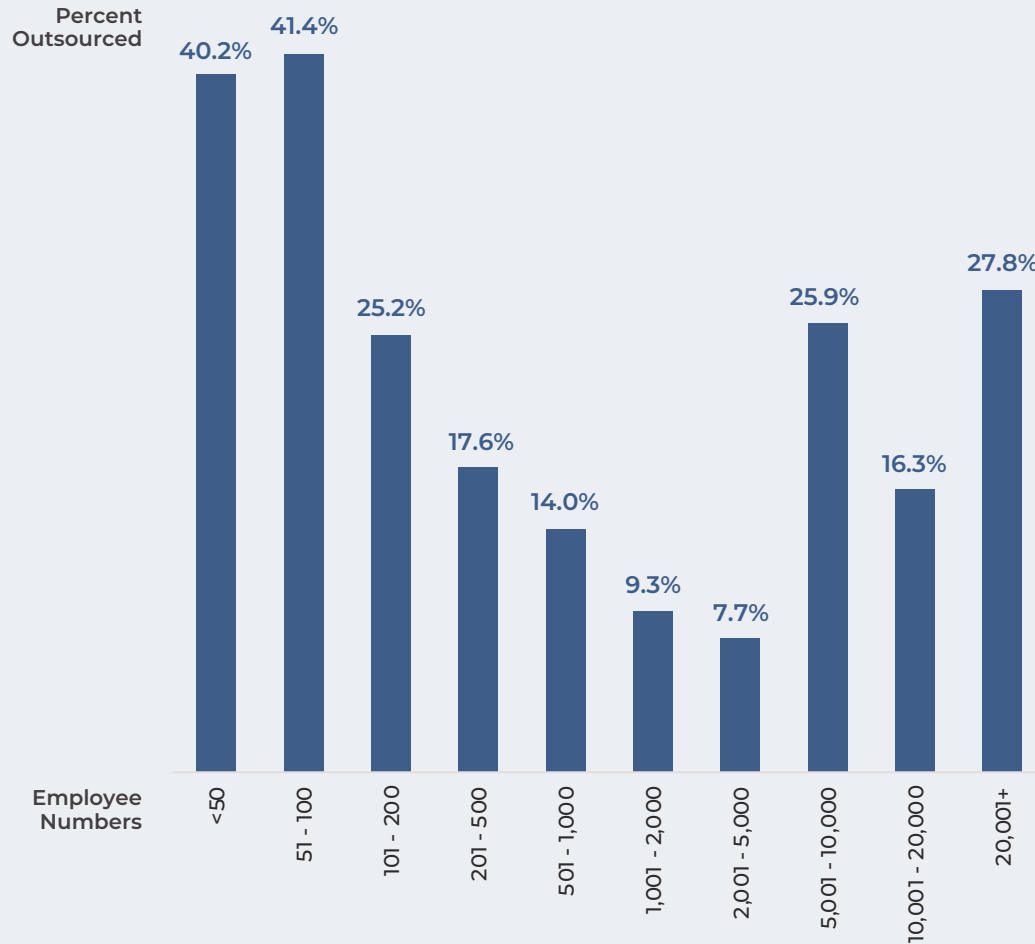
# PAYROLL OUTSOURCING



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# PAYROLL OUTSOURCING



**Overall,** these patterns highlight a nuanced relationship between employer size and the decision to outsource payroll functions. Small businesses may lack resources, mid-sized may gain capability and look to in-house management, while the largest employers might again look to outsource due to the sheer complexity and risk management benefits. This information is critical for payroll service providers to understand their market segmentation and for employers to consider their payroll strategy in relation to their size and growth trajectory.

# PAYROLL OUTSOURCING SATISFACTION

From all who outsource their payroll:



**24.1%**

of all respondents were  
unsatisfied or very unsatisfied.

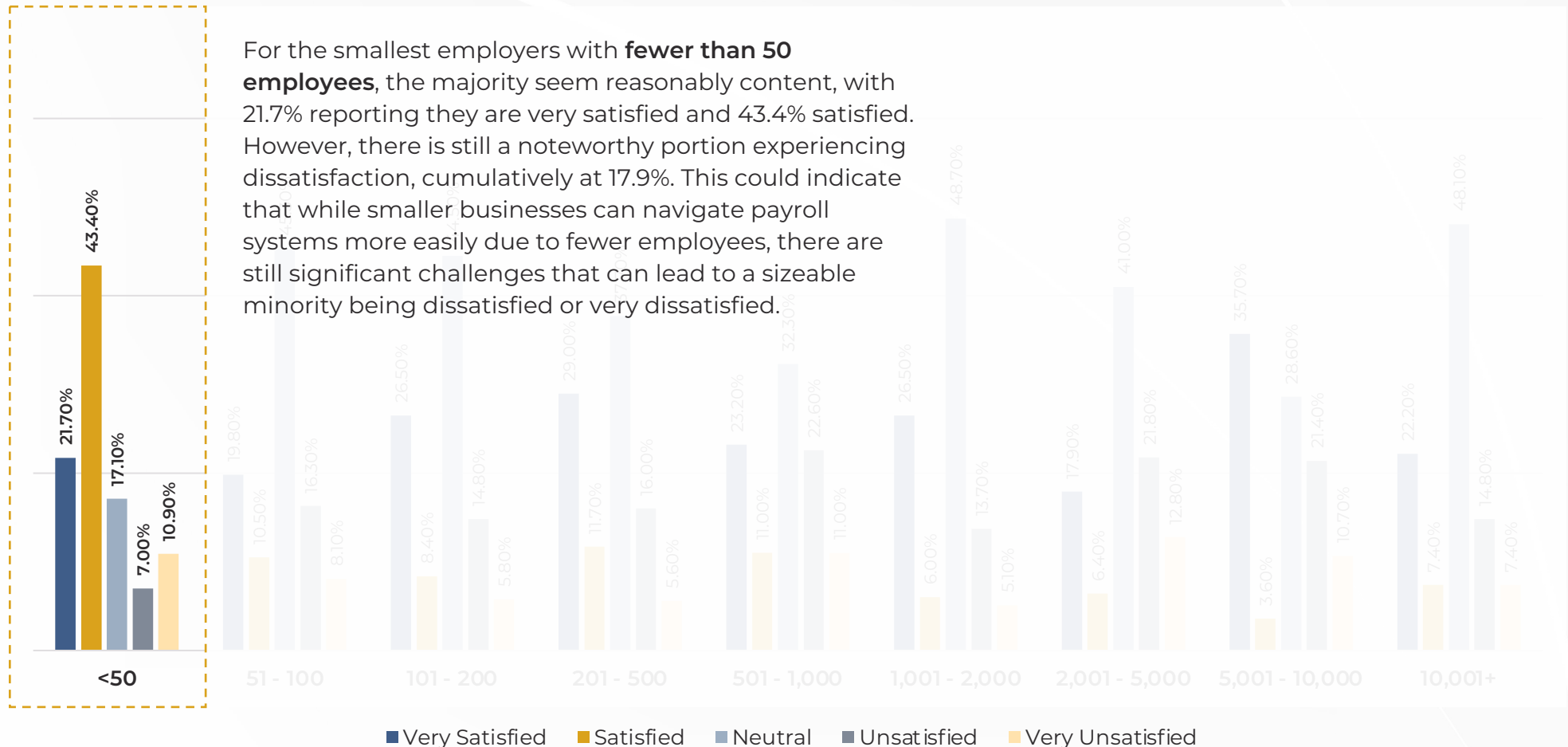


**51.6%**

of all respondents were  
satisfied or very satisfied.

# PAYROLL TECHNOLOGY SATISFACTION

The data provides a revealing insight into the levels of satisfaction with payroll systems across different employer sizes. It appears that satisfaction levels do not follow a straightforward pattern according to the size of the employer, suggesting that factors other than size influence satisfaction with payroll systems.



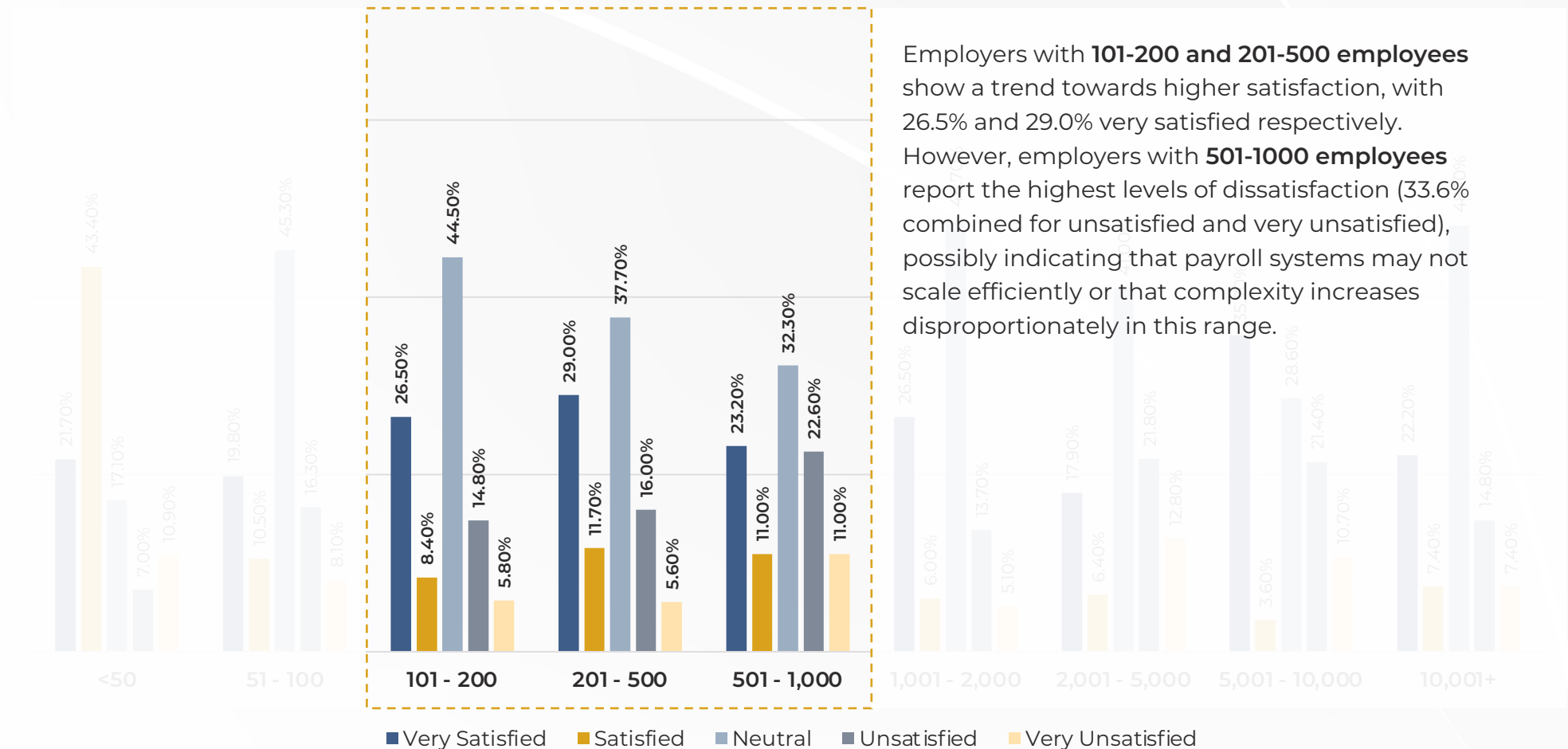
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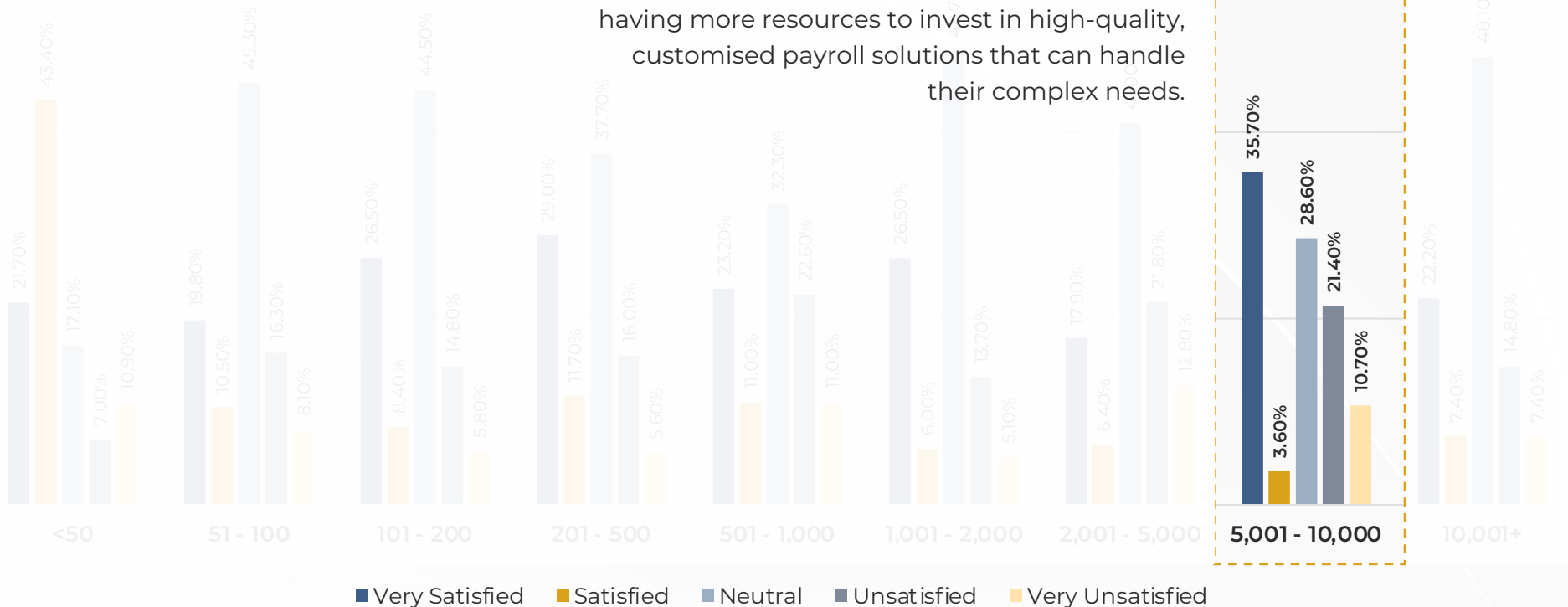
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Interestingly, the highest level of satisfaction comes from the larger employer groups with **5,001-10,000 employees**, where 35.7% are very satisfied. This could be due to these organisations having more resources to invest in high-quality, customised payroll solutions that can handle their complex needs.

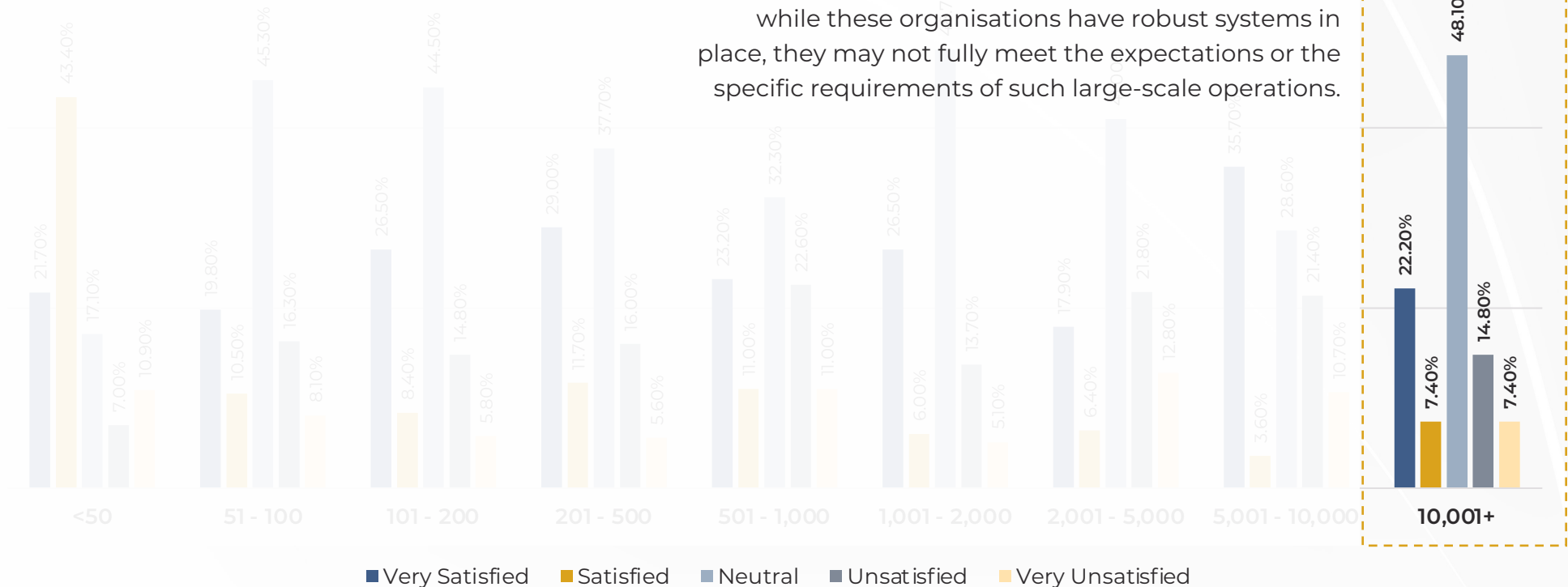




# PAYROLL TECHNOLOGY SATISFACTION

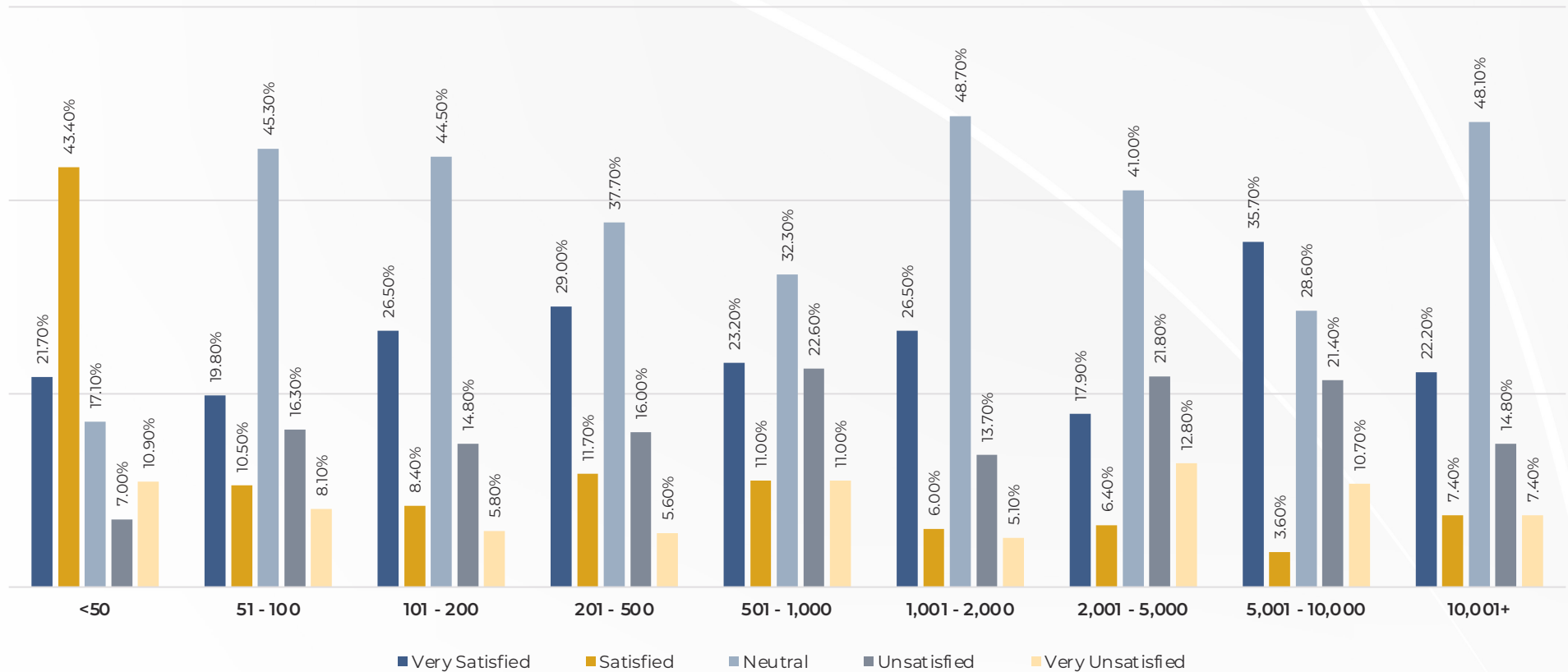
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However, as the employer size increases **beyond 10,000 employees**, there seems to be a return to neutrality, with 48.1% reporting neutral feelings towards their payroll systems. This may indicate that while these organisations have robust systems in place, they may not fully meet the expectations or the specific requirements of such large-scale operations.



# PAYROLL TECHNOLOGY SATISFACTION

**Overall**, these outcomes demonstrate that employer size has a nuanced impact on satisfaction with payroll systems. Small companies may struggle with the basics, mid-sized companies might deal with scaling issues, and the largest companies, while having more specialised systems, still face challenges that prevent higher satisfaction rates. This suggests a market opportunity for payroll system providers to offer scalable, user-friendly solutions that cater to the varied needs of employers of different sizes. Moreover, it highlights the importance for all businesses to continuously evaluate their payroll systems to ensure they remain aligned with the organisation's evolving needs.



# PAYROLL TECHNOLOGY SATISFACTION



24.1%

of all respondents were  
unsatisfied or very unsatisfied  
with their payroll technology.



35%

of all respondents were satisfied  
or very satisfied with their  
payroll technology.

# CURRENT PAYROLL CHALLENGES

## Poor Integration Between Systems



## Payroll Technology and Process



## Keeping Up to Date with and Understanding Legislation



## Award and EBA Interpretation



## Leadership and Management Not Understanding Payroll



The survey outcomes reveal several key challenges faced by payroll managers, with the integration between systems (37.3%) and payroll technology and process (37.1%) emerging as the most prominent issues. These two challenges, closely followed by the need for award and Enterprise Bargaining Agreement (EBA) interpretation (31.1%) and keeping up to date with and understanding legislation (35.2%), underscore the complexities involved in managing modern payroll systems.

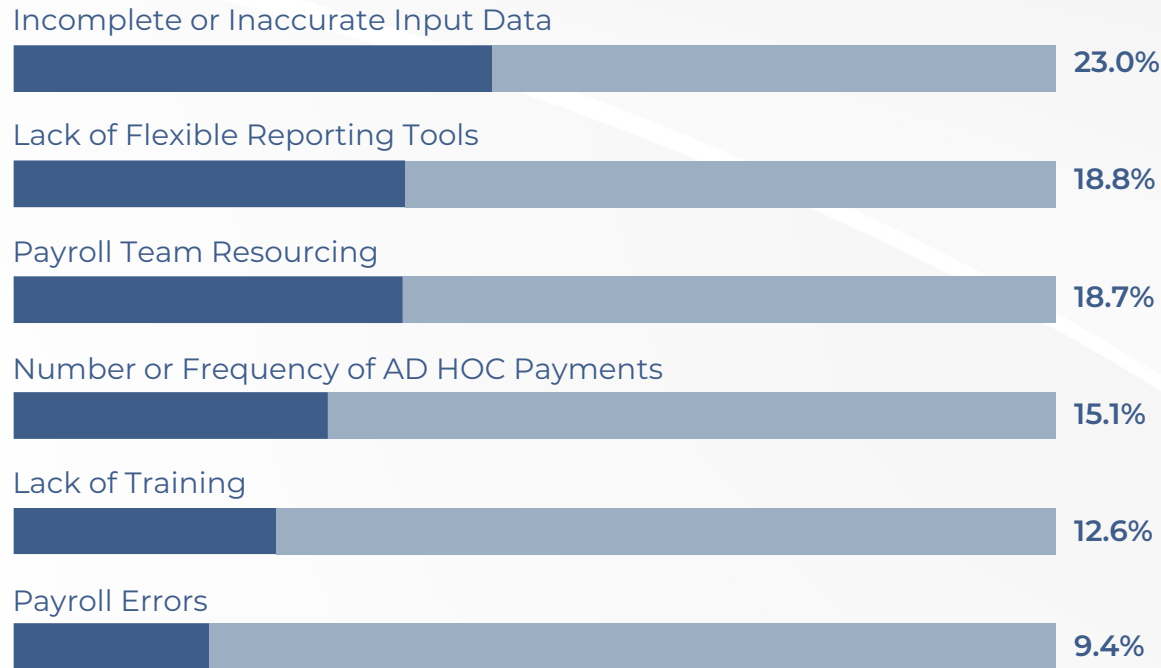
Leadership and management's lack of understanding of payroll complexities is another significant concern, noted by 28.3% of respondents. This suggests that there may be a disconnect between the payroll department's operational realities and the broader organisational leadership's perceptions or awareness. It could also indicate a potential lack of representation or voice for payroll management in higher-level strategic discussions.

The survey highlights a concerning rate of poor integration between systems, flagged by 37.3% of managers. This reflects the difficulties in achieving seamless interoperability between different software tools and platforms used in payroll processing, which can result in inefficiencies and increased risk of errors.

Additionally, the challenges of interpreting awards and EBAs, selected by 31.1% of respondents, indicate the nuanced and often complex legal framework within which payroll must operate, necessitating a high level of expertise and continual learning.


The survey illustrates a multi-faceted landscape of challenges in payroll management, underscoring the need for a holistic approach to address these concerns. Investing in better integration of systems, continuous professional development, and improved technology and processes can help alleviate many of the challenges highlighted by the respondents. Moreover, fostering better communication and understanding between payroll leadership and management can bridge knowledge gaps, ensuring payroll's critical role is recognised and well-supported within the organisational hierarchy.

# CURRENT PAYROLL CHALLENGES

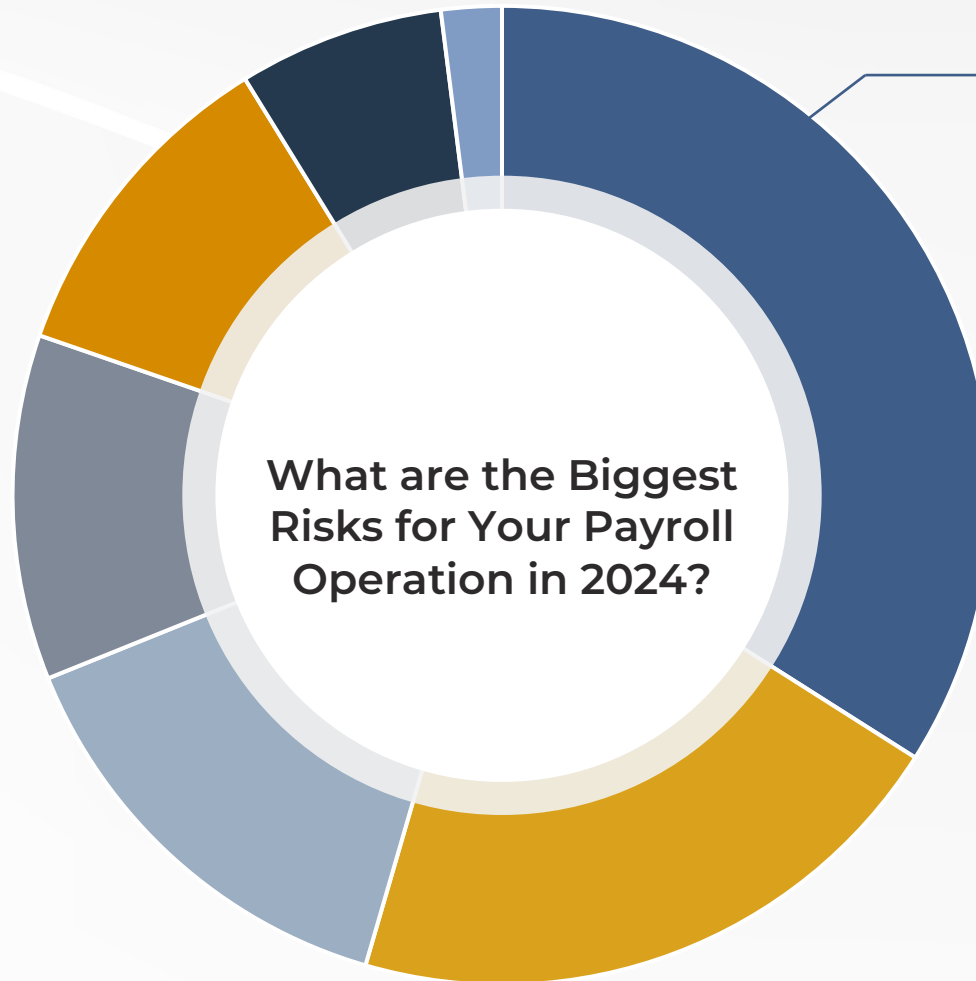


Less frequently mentioned but still notable are issues such as the lack of flexible reporting tools (18.8%), payroll team resourcing (18.7%), and incomplete or inaccurate input data (23.0%). These factors contribute to the potential for payroll errors, which 9.4% of respondents have identified as a challenge. Although lower on the scale, payroll errors can have a significant impact on employee trust and satisfaction, legal compliance, and the overall financial health of the organisation.

It is also interesting to note that while lack of training is the least cited challenge (12.6%), it could be a contributing factor to several other issues, such as the interpretation of awards and EBAs, staying updated with legislation, and managing technology and processes.



The survey illustrates a multi-faceted landscape of challenges in payroll management, underscoring the need for a holistic approach to address these concerns. Investing in better integration of systems, continuous professional development, and improved technology and processes can help alleviate many of the challenges highlighted by the respondents. Moreover, fostering better communication and understanding between payroll leadership and management can bridge knowledge gaps, ensuring payroll's critical role is recognised and well-supported within the organisational hierarchy.



**34.0%**

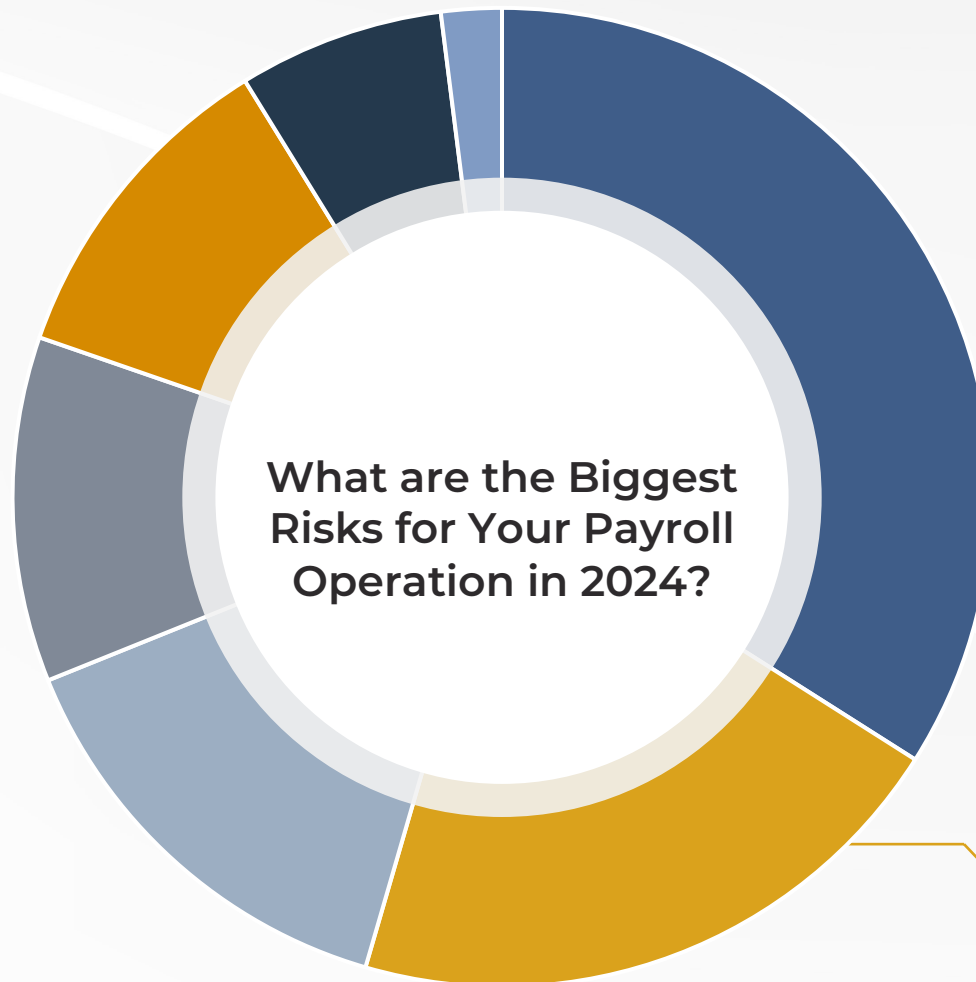
Poor or incomplete data coming into the payroll office

The leading risk identified is the issue of poor or incomplete data coming into the payroll office, cited by 34.0% of respondents. This underscores the critical nature of accurate data for payroll processing.

Incomplete or erroneous data can lead to a range of problems, from incorrect payments to compliance issues with tax and other statutory requirements. The importance of robust data management systems and processes cannot be overstated, and it appears that industry professionals are acutely aware of this.

The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.



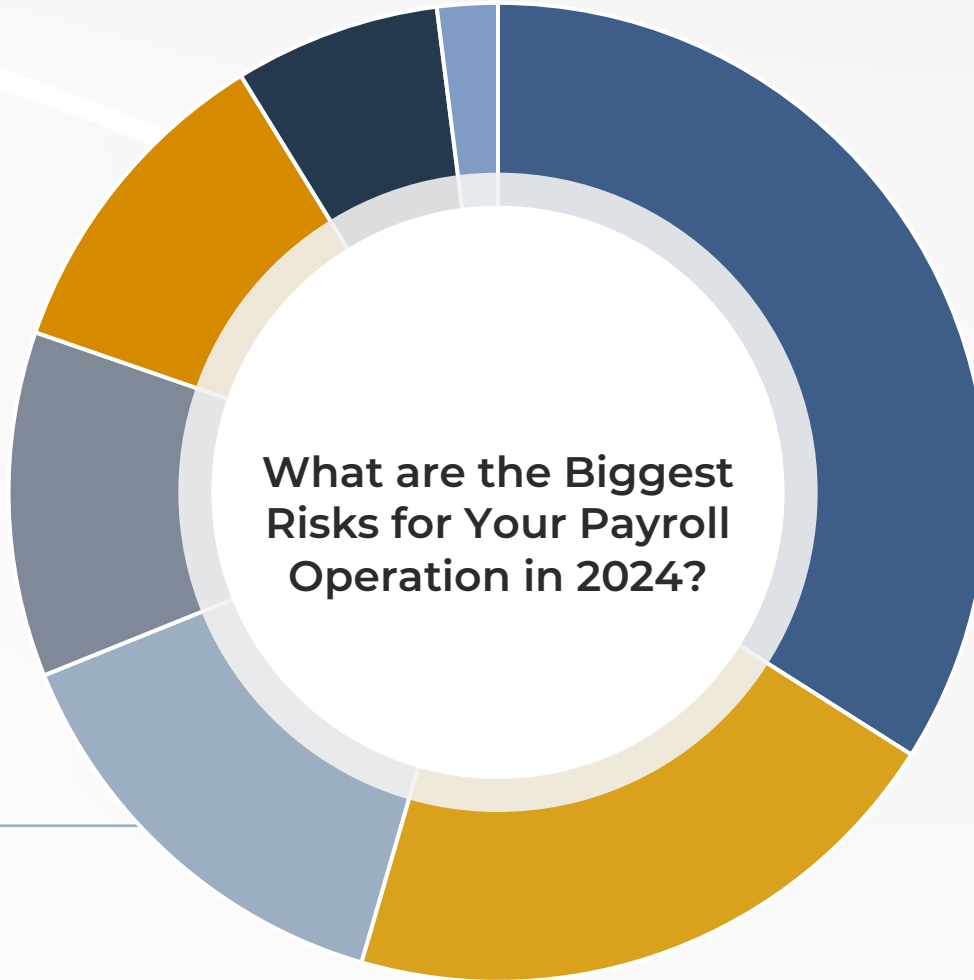


Upgrading technology is seen as the next significant risk, with 20.5% of respondents highlighting it. This suggests a pressing need for modernisation within payroll systems, reflecting perhaps that existing infrastructure may not fully meet the evolving demands of payroll operations or compliance standards. The challenge here lies in selecting and implementing new technologies without disrupting ongoing operations, and ensuring that these technologies can adapt to future changes in payroll legislation and best practices.

**20.5%**  
Upgrading Technology

The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

## What are the Biggest Risks for Your Payroll Operation in 2024?



Data security is another prominent concern, flagged by 14.4% of participants. In an age where data breaches are increasingly common and the consequences increasingly severe, payroll departments must ensure that sensitive employee data is protected. This involves not only securing payroll systems from external threats but also managing internal controls and access privileges.

**14.4%**

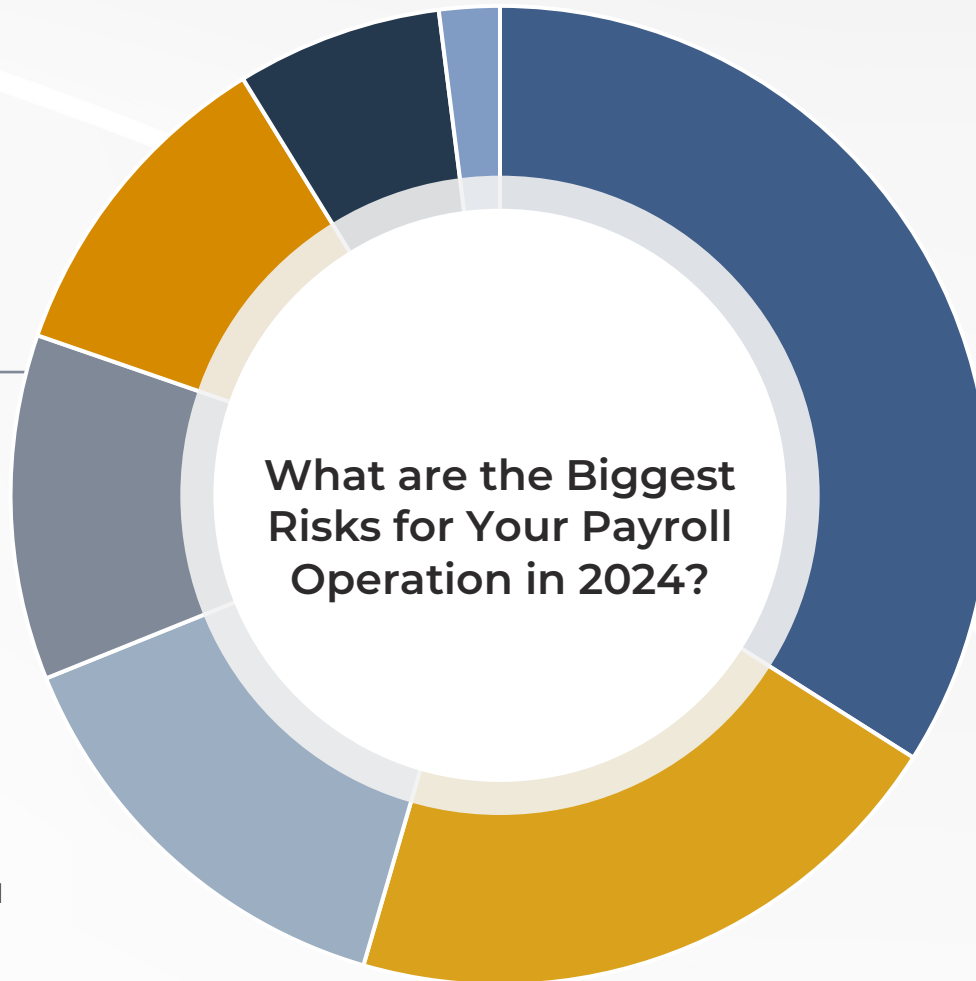
Data Security

The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

**11.4%**

### Automating Tasks

Automating tasks is cited by 11.4%, suggesting some apprehension about the transition to more automated systems. While automation can bring efficiencies and reduce manual errors, it can also be risky if not managed properly, especially if it leads to job displacements or if the automated processes are not thoroughly tested and monitored.

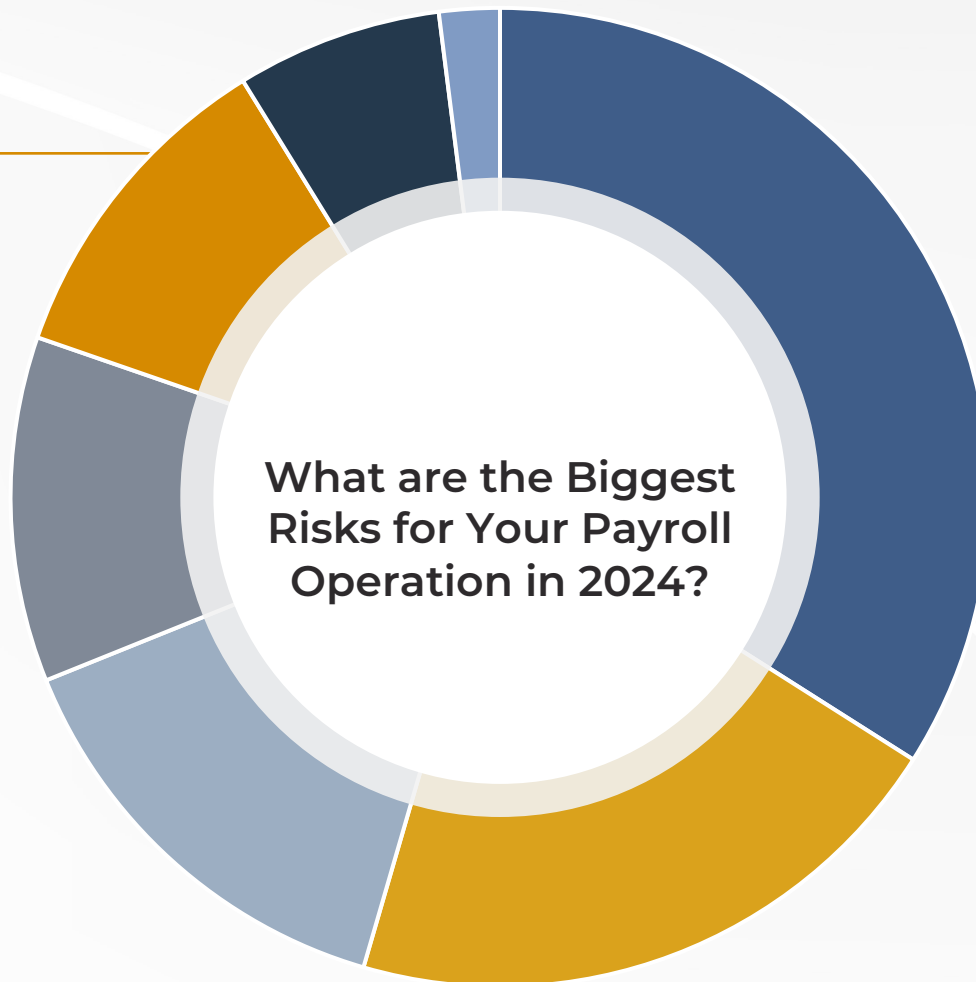


The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

# 10.9%

## Sourcing the Right Payroll Candidates

Interestingly, finding the right payroll candidates is also a notable risk, at 10.9%. This indicates that the skills gap remains an issue in the payroll sector, where the specific, detailed knowledge required for payroll compliance and management might not be readily available in the job market.

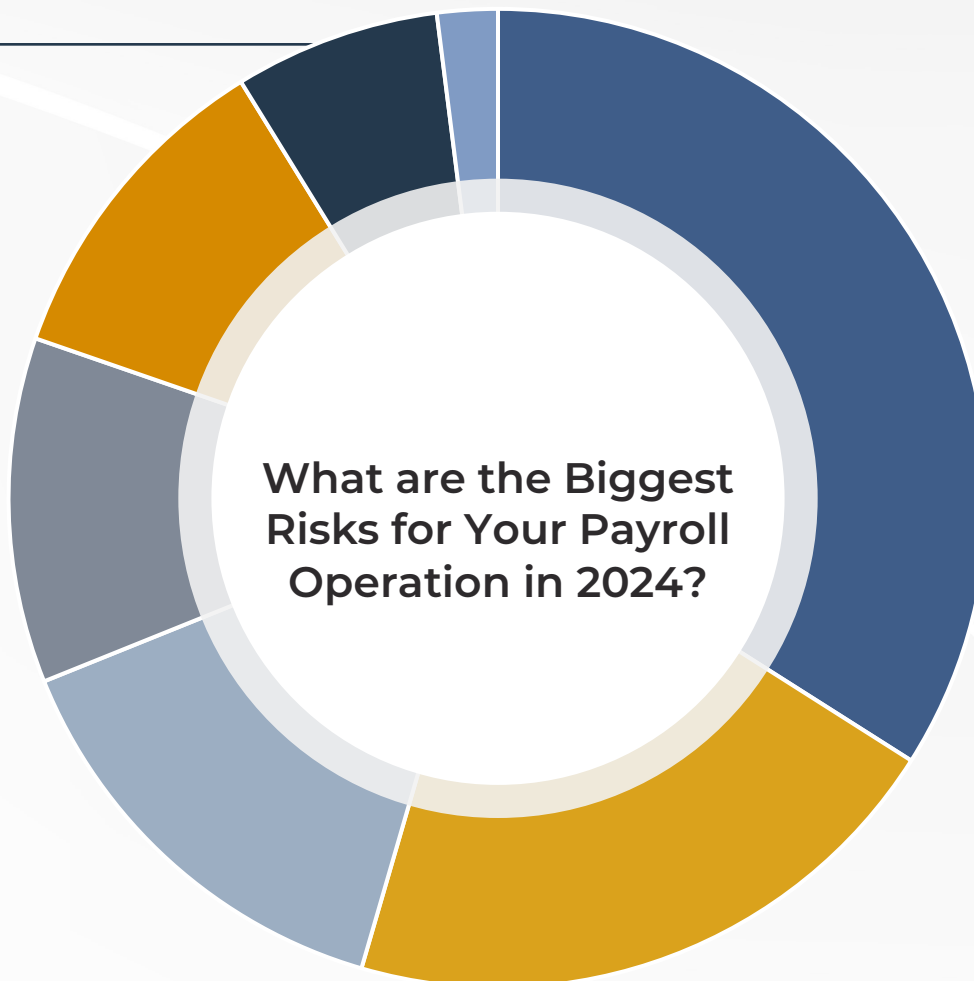


The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

# 6.8%

## Poor Payroll Governance

Poor payroll governance is seen as less of a risk, mentioned by 6.8% of respondents. This lower percentage could imply that many organisations already have strong governance frameworks in place, or it could suggest a possible underestimation of the importance of governance in mitigating payroll risks.

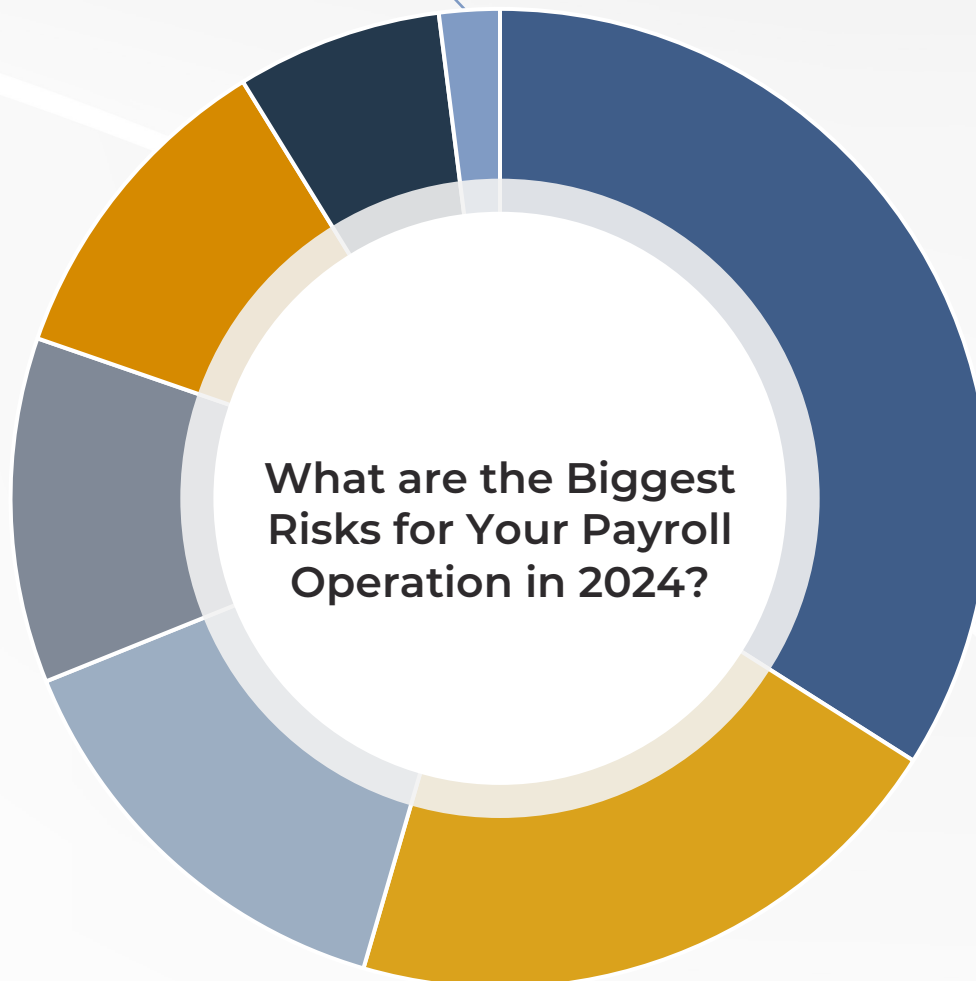


The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

# 2.0%

## Remote Working

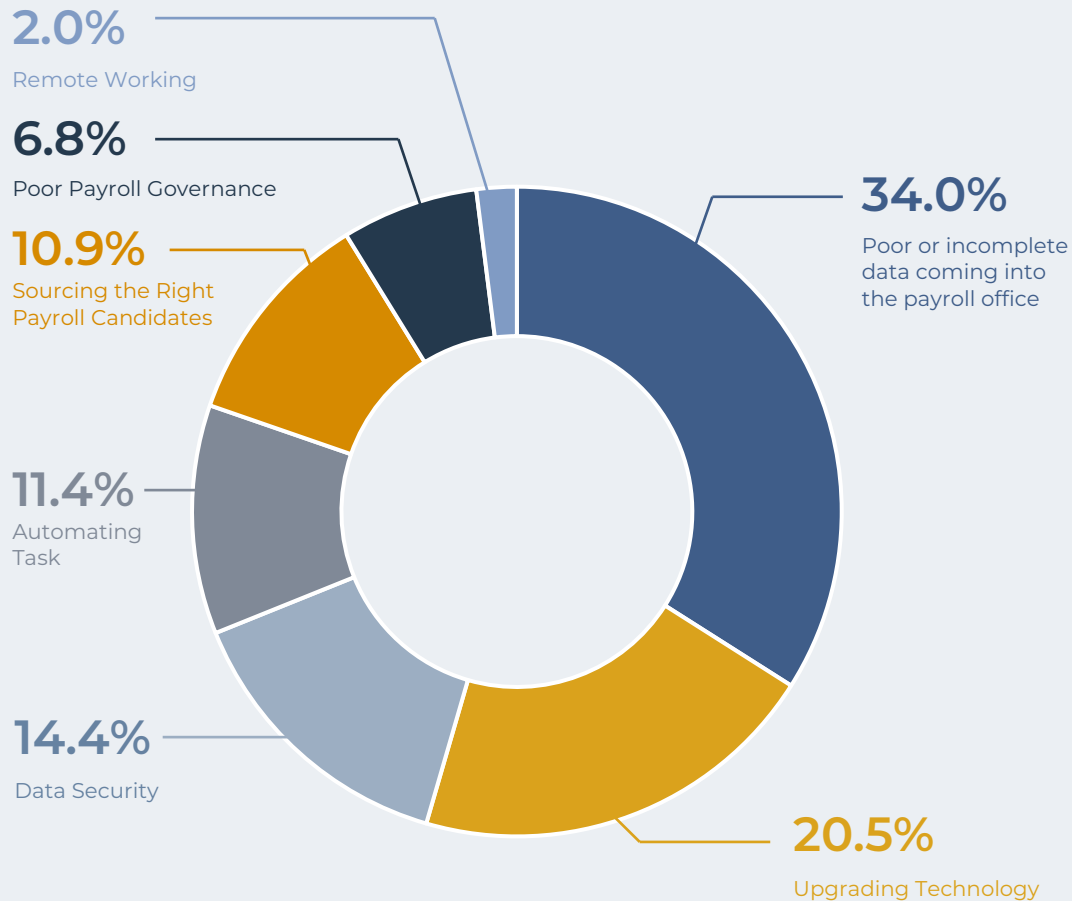
Remote working, at only 2.0%, appears to be the least of the concerns for payroll operations. This may reflect a successful adaptation to the remote working models that many organisations have had to adopt in recent years, or it could indicate that payroll functions are less affected by the location of their staff.



The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.



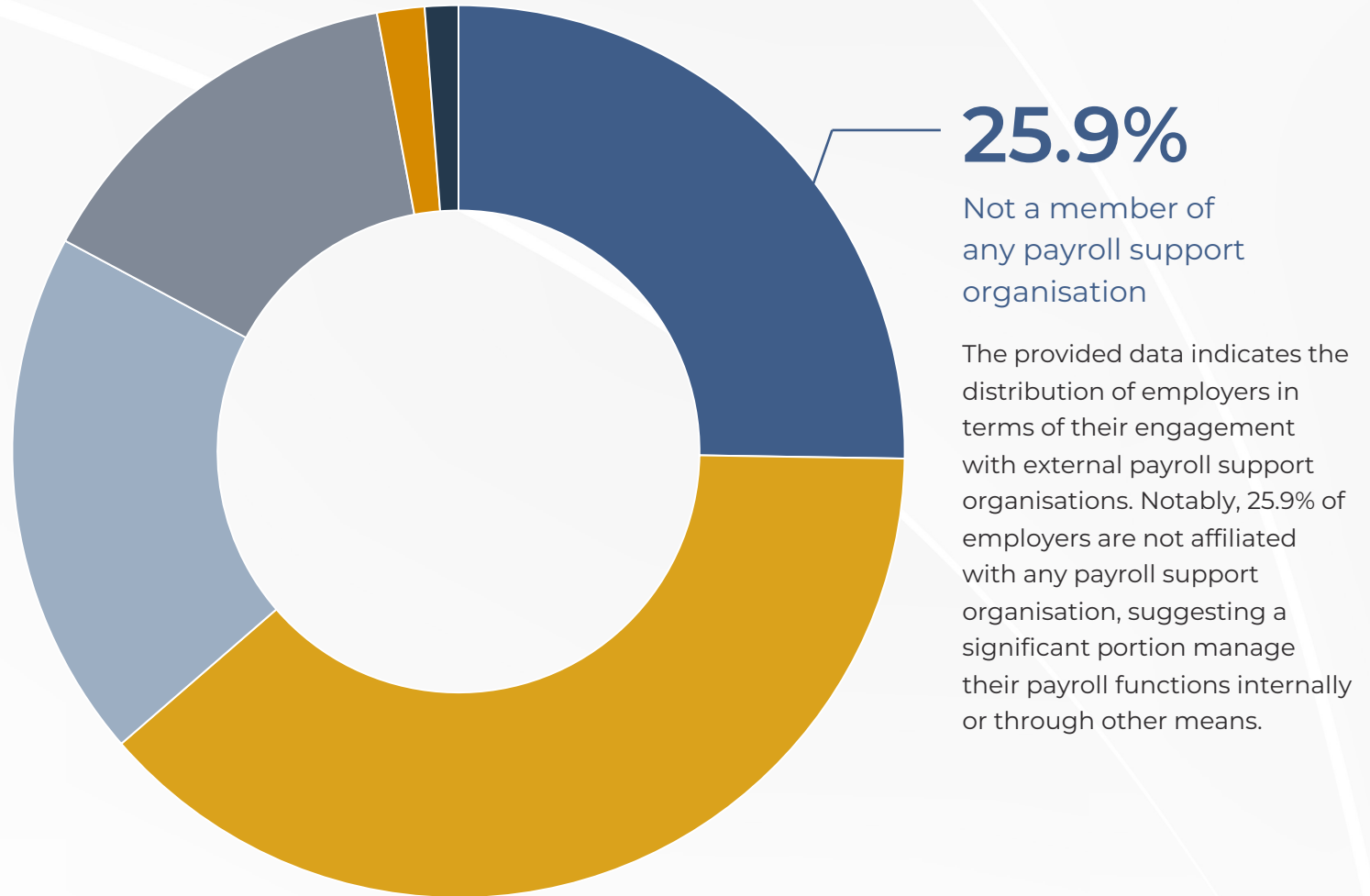
# WHAT ARE THE BIGGEST RISKS FOR YOUR PAYROLL OPERATION IN 2024?



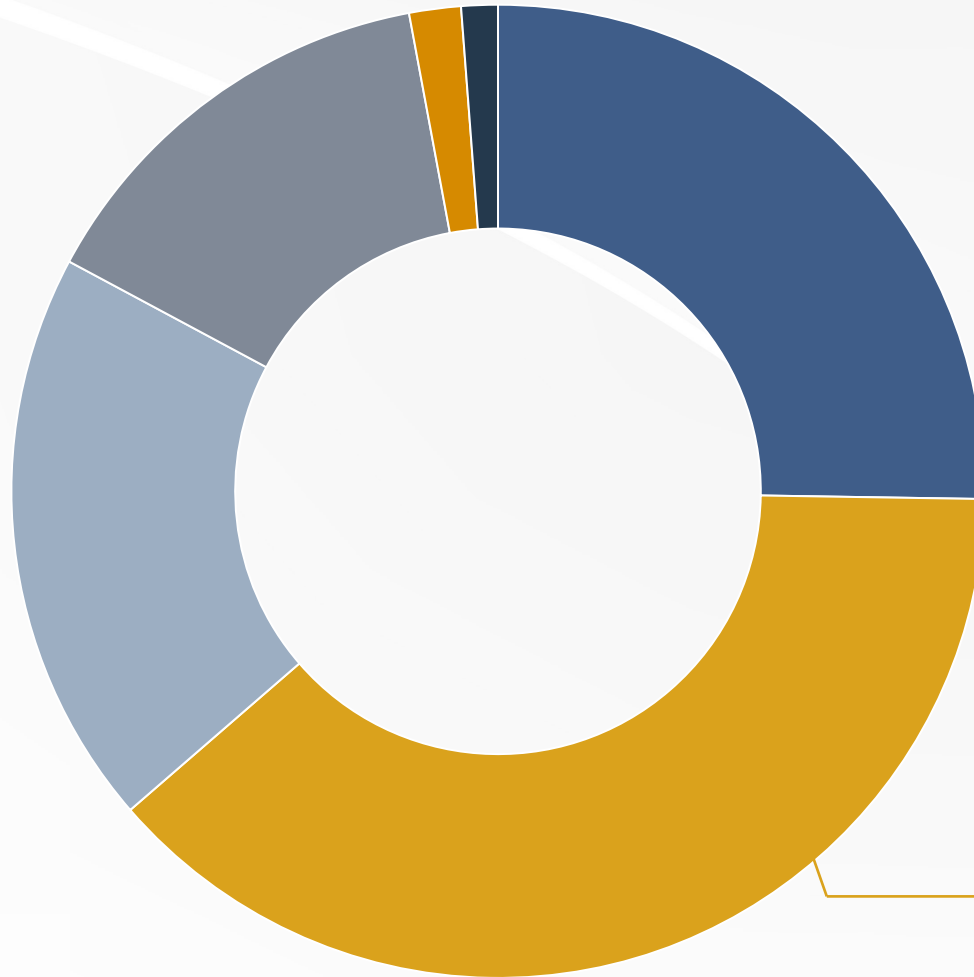
**Overall,** these risks paint a picture of a payroll sector that is keenly aware of the importance of data integrity, the need to stay ahead of technology curves, and the criticality of cybersecurity. It also highlights the ongoing need for skilled payroll professionals who can navigate these complex and changing landscapes. These insights should shape strategic planning and risk mitigation efforts within the payroll function going forward.

The results from this survey question on the biggest risks for payroll operations in 2024 highlight several key areas of concern among payroll professionals.

# PAYROLL SUPPORT



# PAYROLL SUPPORT

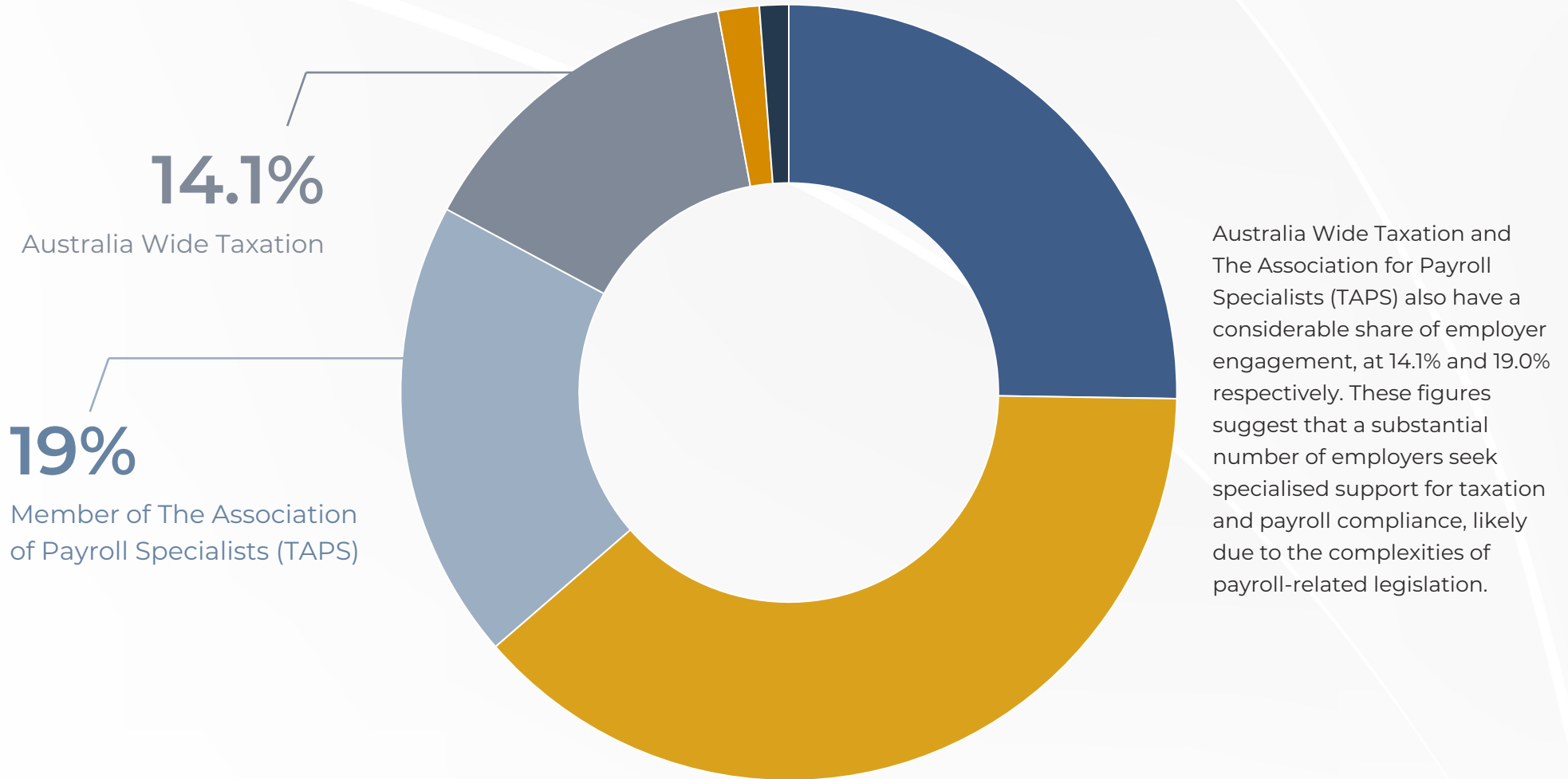


The Australian Payroll Association (APA) appears to be the most popular choice among employers who do use external payroll support, with 38.0% of employers utilising their services. This high percentage could reflect the APA's reputation, the range of services they offer, or their perceived value in the industry.

**38%**

Member of Australian  
Payroll Association

# PAYROLL SUPPORT



# PAYROLL SUPPORT

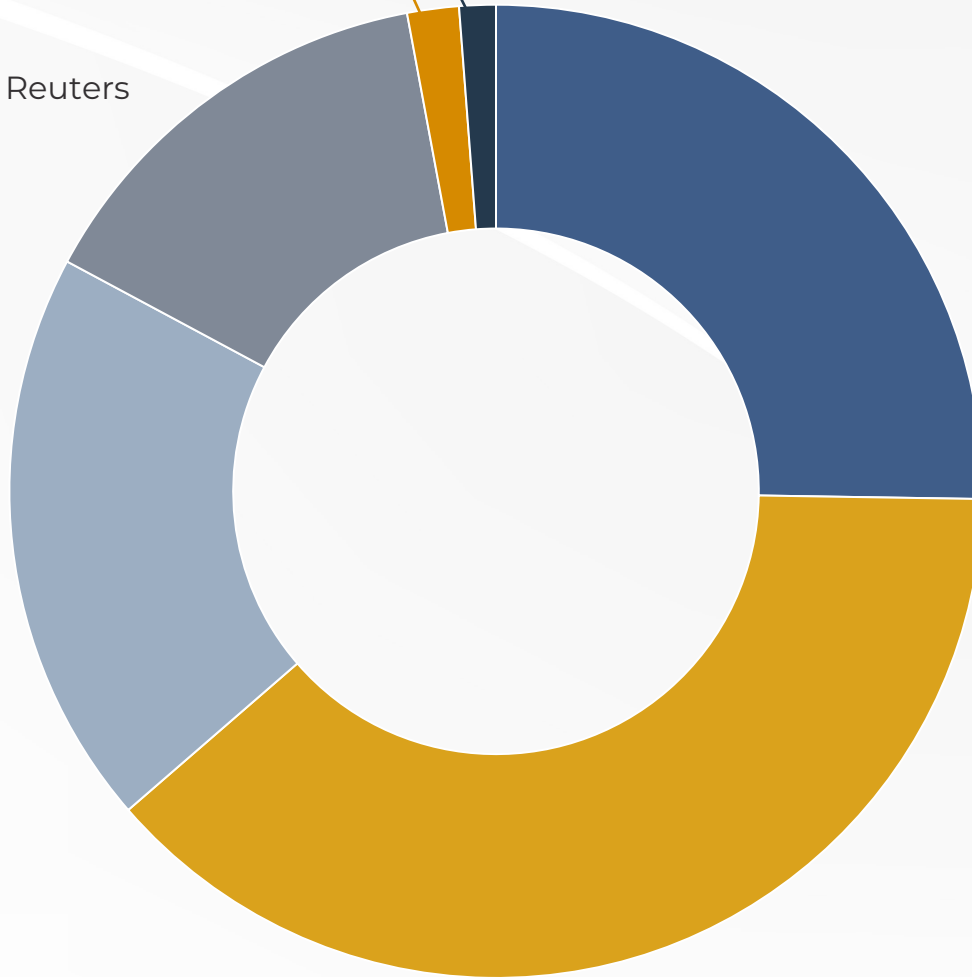
**1.2%**

CCH Australia

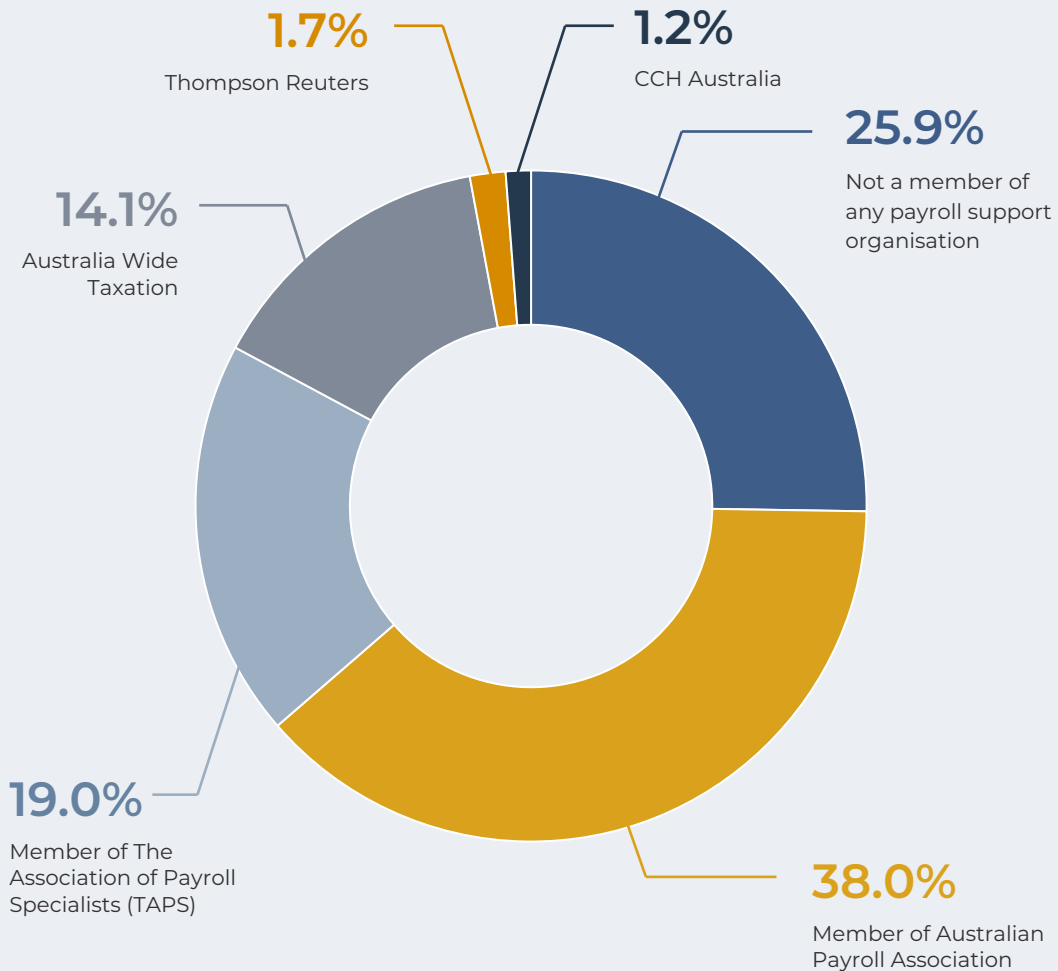
**1.7%**

Thomson Reuters

CCH Australia and Thomson Reuters have the lowest engagement, with 1.2% and 1.7% respectively. This might be because these organisations may offer broader services that aren't exclusively focused on payroll, or they may not be as prominently recognised in the payroll support space as the APA or TAPS.



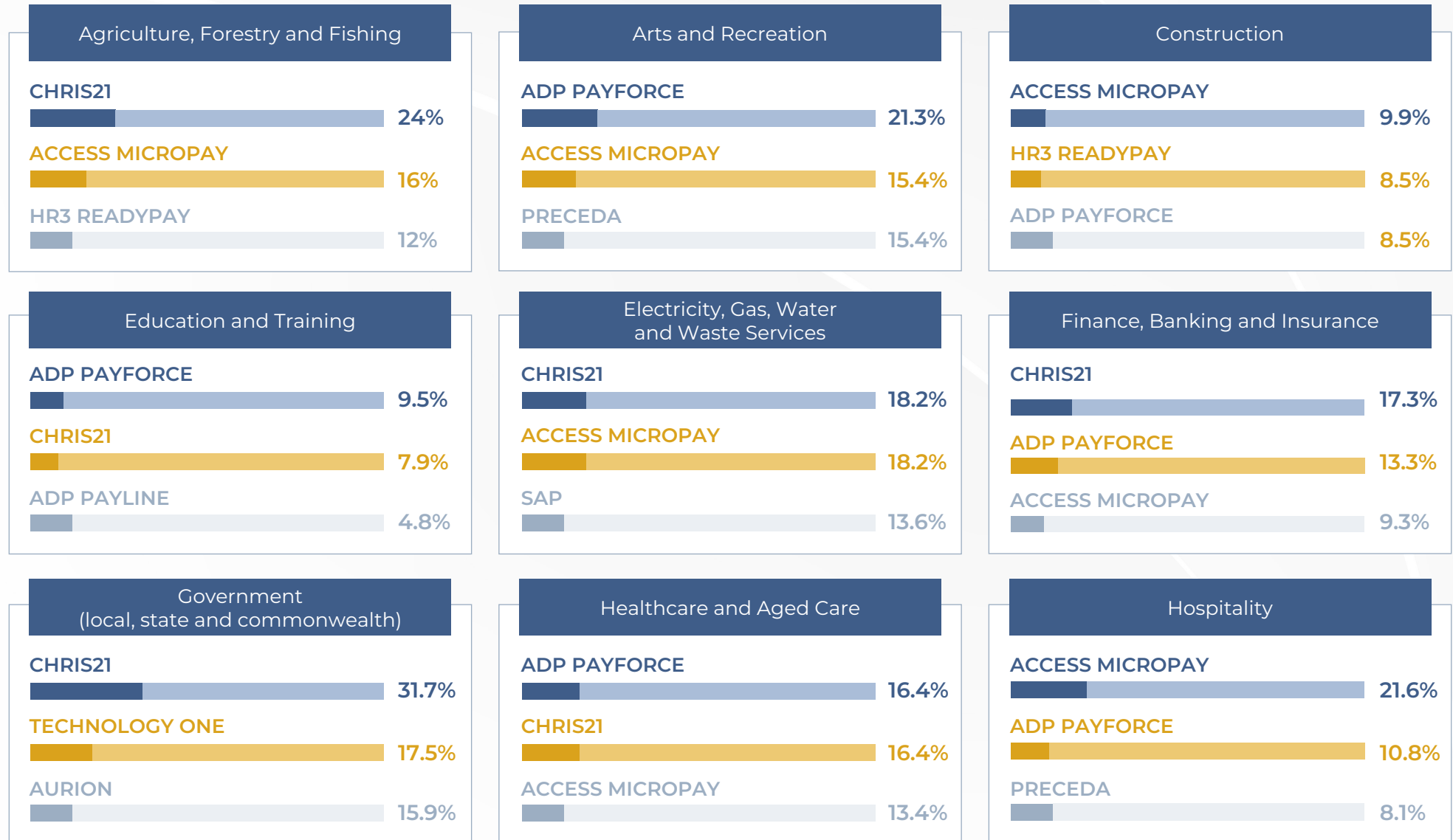
# PAYROLL SUPPORT



**Overall,** the data suggests that while there is a trend towards external payroll support, there is still a significant reliance on internal resources or non-specialised external services for payroll functions. The choice to use a particular service likely depends on the specific needs, budget, and size of the employer, as well as the complexity of their payroll operations.

# INDUSTRY PAYROLL

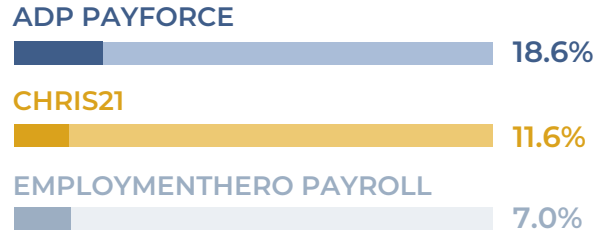
For each industry we list the top three most implemented payroll systems.



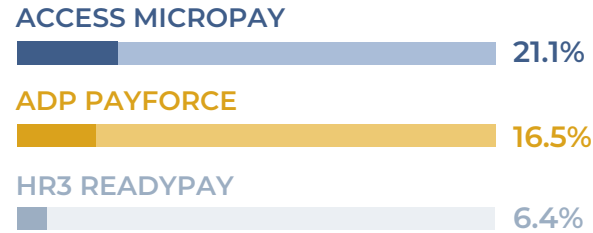
# INDUSTRY PAYROLL (CONT.)

For each industry we list the top three most implemented payroll systems.

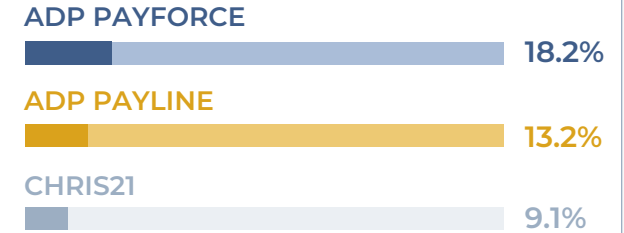
## Information Media and Technology



## Manufacturing



## Mining



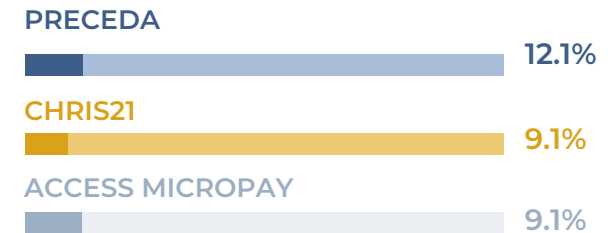
## Not for Profit



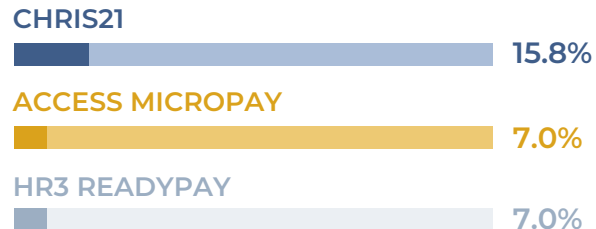
## Professional and Business Services



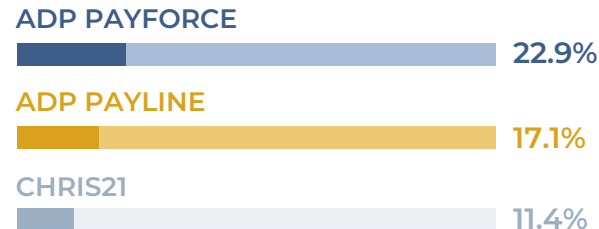
## Retail



## Transportation and Logistics



## Wholesale Trade





# PAYROLL PROCESS AND EFFICIENCY



The section paints an intriguing picture of the current state of payroll process efficiency and the use of analytics within organisations.

The statistic that stands out immediately is that the average of

## 11.9 hours per week

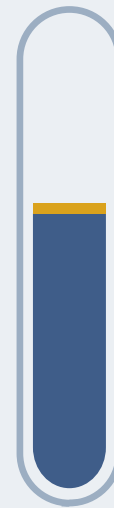
is spent on **manual tasks**. This is quite significant and suggests there is considerable scope for automation and process improvement. It indicates that many **payroll professionals are still engaged in time-consuming, manual work**, which could be streamlined through technology, thereby freeing up time for more strategic activities.

Regarding the tracking of Payroll KPIs, it is surprising to see that a majority

## 67.2%

**of respondents do not track their Payroll KPIs or statistics regularly.**

This implies a potential oversight in the management of the payroll function, as KPIs are crucial for measuring performance, identifying trends and potential errors and implementing improvements.



The use of payroll analytics and metrics also appears to be in its infancy, with the majority

## 68.7%

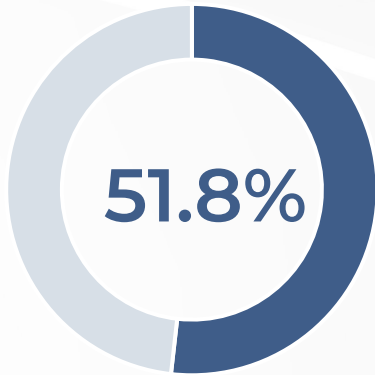
either not using analytics at all or only having basic metrics in place.

Only a small fraction

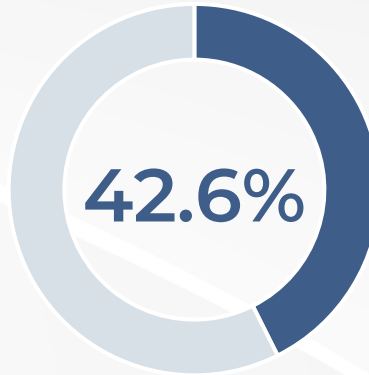
## 5.8%

consider themselves advanced in this area, utilising historical data for decision making. This represents a missed opportunity for organisations to leverage data to enhance decision making and gain strategic insights.

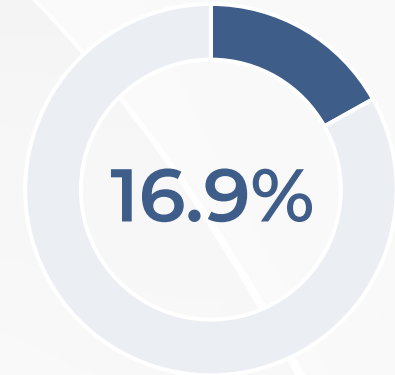
# PAYROLL GOVERNANCE AND ANALYTICS



It's encouraging to note that over half of the organisations have a governance framework in place for payroll. This suggests an awareness of the need for compliance and strategic oversight within the payroll function.



The frequency of requests for payroll data by boards or executive teams reflects a recognition of the importance of payroll data in organisational governance, with a significant percentage requesting this information monthly. It's a promising sign that payroll is being considered at the highest levels.

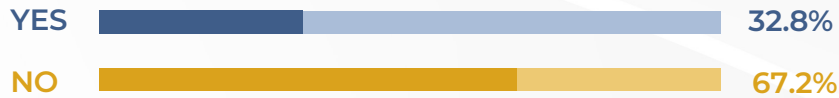


There is still a portion where payroll data is never requested, indicating a potential undervaluation of payroll insights in strategic deliberations.

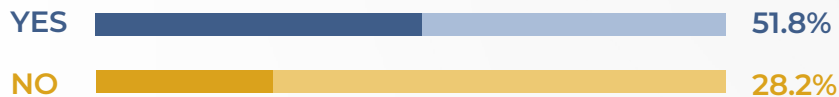
Overall, these insights suggest that while some organisations are on the path to integrating more sophisticated analytics and governance in payroll, there's still a substantial proportion that could enhance efficiency and strategic impact through better utilisation of payroll data and technology. This represents a significant opportunity for payroll professionals to lead change in this space, driving the payroll function from a largely administrative role to a more strategic one within their organisations.

# PAYROLL GOVERNANCE AND ANALYTICS

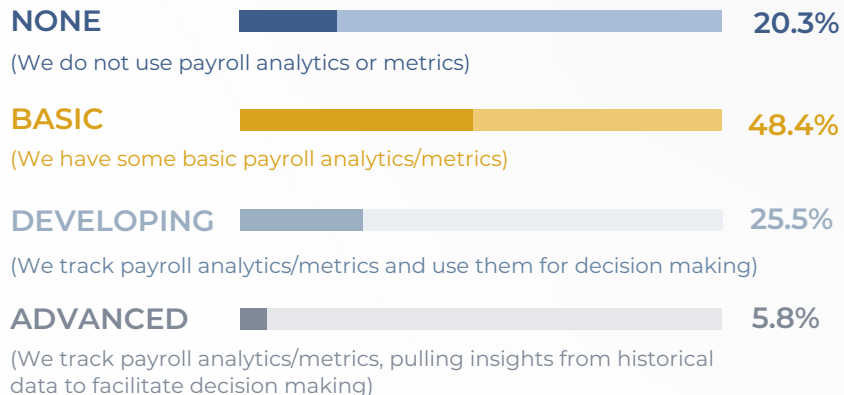
Do you track your Payroll KPIs or statistics on a regular basis?



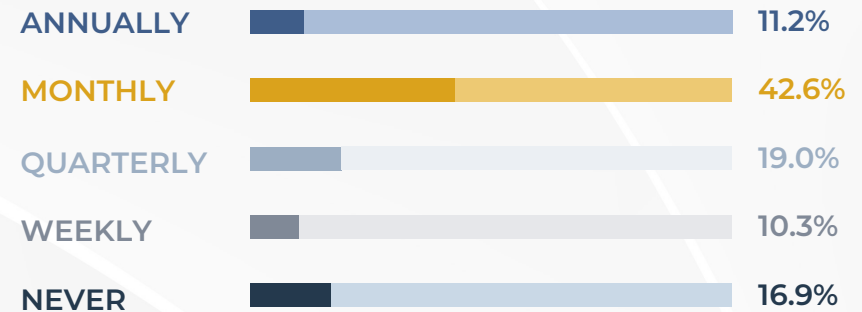
Does your organisation have a governance framework in place for payroll?



How would you describe your organisation's use of payroll analytics/metrics?



How would you describe your organisation's use of payroll analytics/metrics?



## Payroll Training

Do you have a budget for payroll training?

