

Feb 2025

Employment Hero's

SmartMatch Employment Report



Contents

3

Median Hourly Wages

9

Average Employee Growth

14

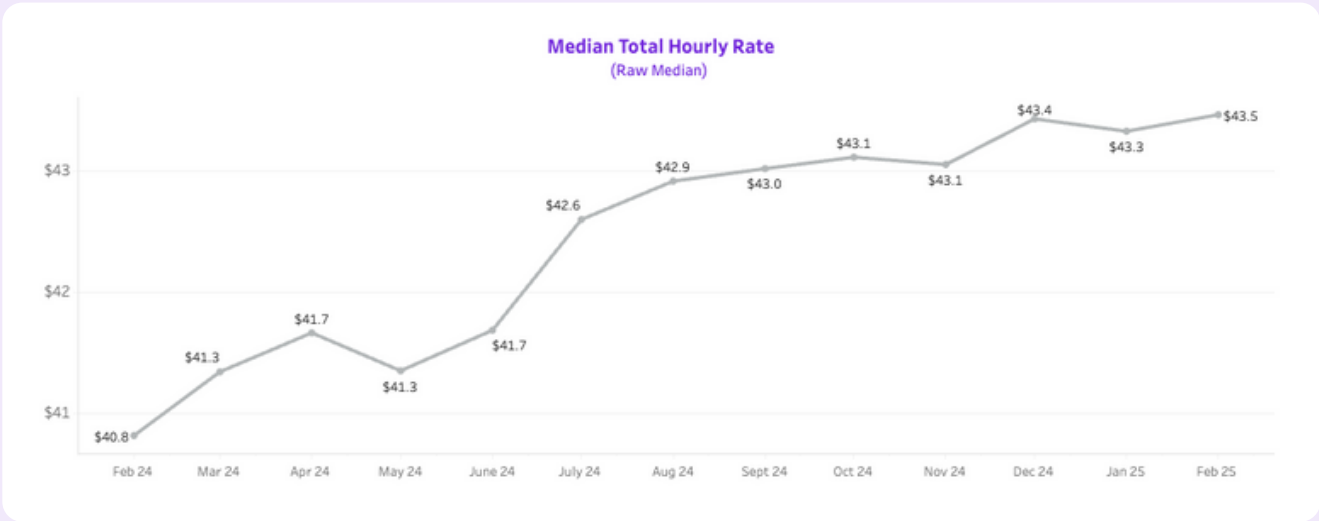
Average Hours Worked




20

Methodology



Median Hourly Wages



Monthly Change	Quarterly Change	Annual Change
vs. Jan 2025	vs. Nov 2024	vs. Feb 2024
 +0.2%	 +1.0%	 +5.3%

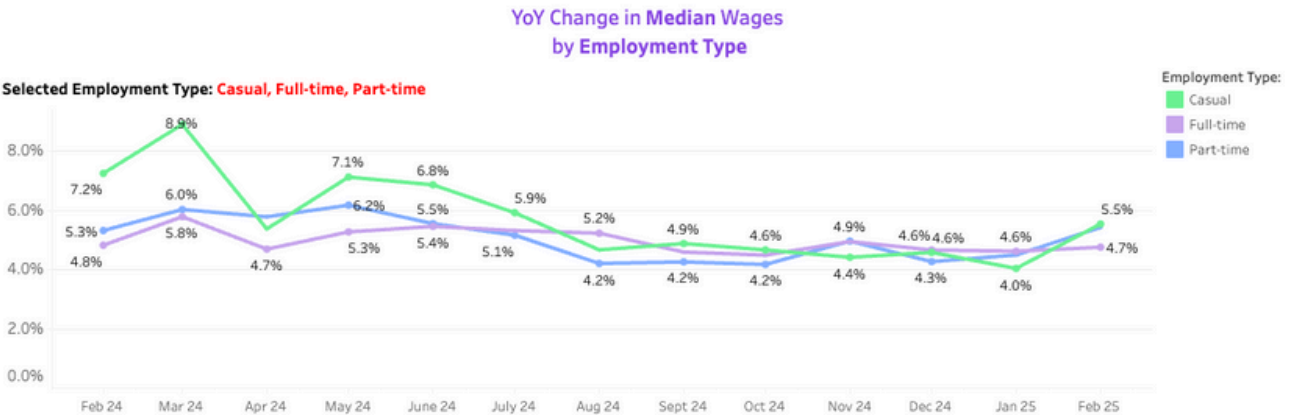
Why this metric matters

The hourly median total rate measures the median hourly rate of both Employment Hero HR and Payroll users and the % change overtime for the preceding 12 months. This includes other pay components beyond the base rate, such as allowances, bonuses and penalty rates. It provides a measure of the typical wage that AU workers earn per hour and helps to shed light on labour market trends.

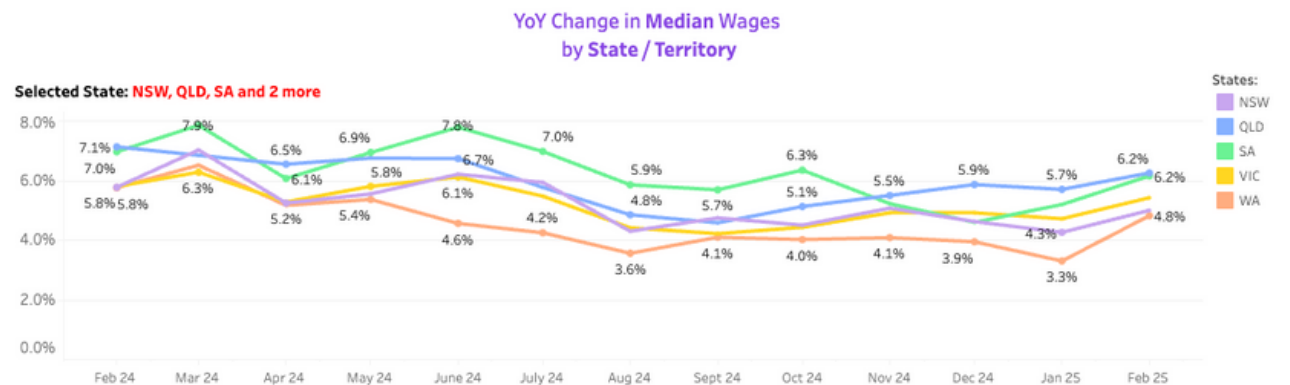
The median hourly rate saw a 5.3% year-on-year increase, reaching \$43.5 in February 2025. While this reflects continued growth, the pace has slowed in recent months. Quarter-on-quarter growth was a modest 1.0%, and month-on-month growth registered just 0.2%. This pattern of decelerating wage growth mirrors the recent downward trend in inflation.

Median Hourly Wages (Breakdowns)

Employment Type Breakdown



State Breakdown



Employment Type Breakdown

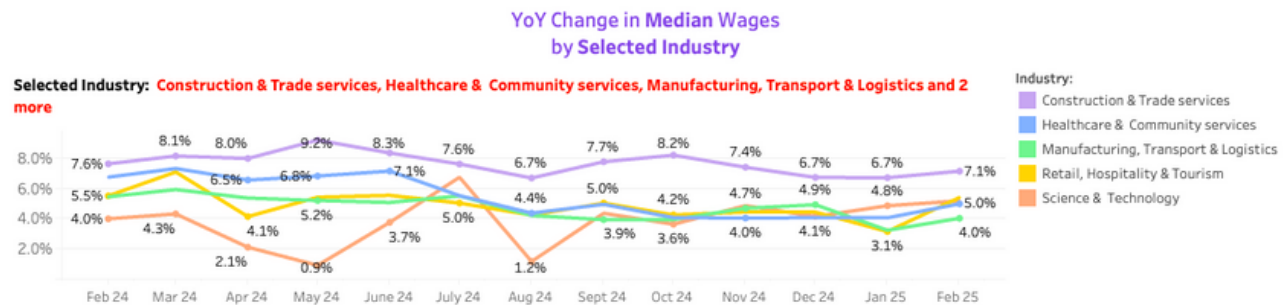
As of February 2025, wages growth has picked up for part-time and casual workers, reversing the cooling in momentum observed last month. The rate of growth for part-time employees is now outpacing full-time at +5.9% YoY, whilst casual is slightly behind at +5.3% YoY. YoY wages growth for full-time employees has continued to cool over the past 4 months, now sitting at +5.3% YoY.

State Breakdown

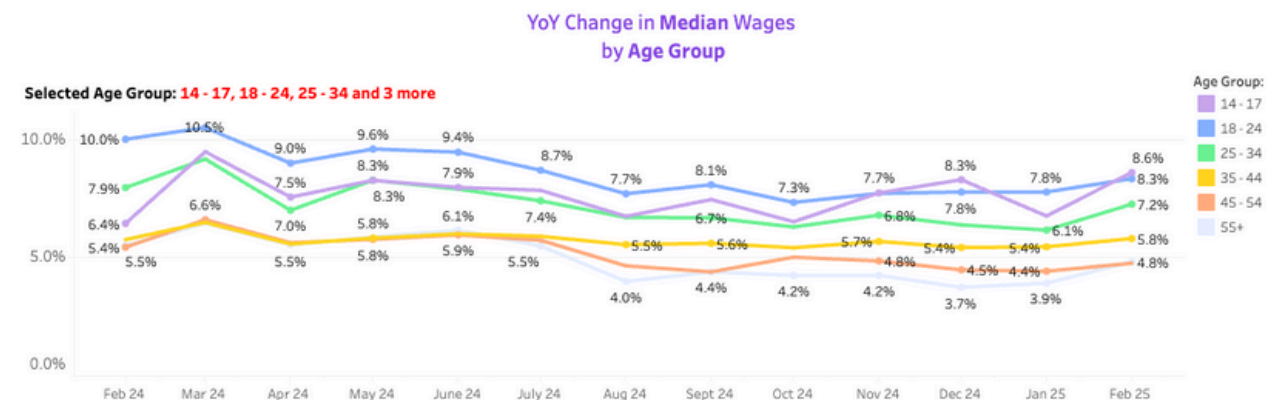
In February 2025, wage growth gained momentum in every state. Queensland and South Australia experienced the strongest year-over-year growth at 6.2%, with Victoria close behind at 5.1%. Notably, New South Wales and Western Australia saw a significant recovery, with wage growth climbing to 4.8%, up from their respective six-month lows recorded in the preceding months.

Median Hourly Wages (Breakdowns)

Industry Breakdown



Age Breakdown




Industry Breakdown

In February 2025, year-over-year wage growth demonstrated consistency across the majority of industries. Construction & Trade Services emerged as the leading sector with a 7.1% increase. Notably, Manufacturing & Trade Services showed signs of recovery, achieving a modest 4.0% year-over-year growth after a prior low point. Retail & Hospitality saw the most substantial growth, reaching 5.0% compared to February 2024, and securing the second-highest growth rate.


Age Breakdown

February 2025 data indicates a trend of declining wage growth with increasing age. The youngest workers, aged 14–17, demonstrated the most substantial year-over-year growth at 8.6%, with 18–24 year-olds maintaining a strong 8.3%. The 25–34 age group experienced a moderate increase to 7.2%, while the 35–44 group recorded 5.8%. Notably, both the 45–54 and 55+ age groups exhibited a 4.8% growth rate, suggesting potential wage stagnation in the later phases of professional careers.

Median Hourly Wages (Breakdowns)

Employment Type

% Change	Full-Time	Part-Time	Casual
Median Hourly Rate	\$49.00	\$39.20	\$38.00
Monthly	0.9%	-0.1%	-0.4%
Quarterly	0.6%	1.1%	0.8%
Annual	4.7%	5.4%	5.5%

State Breakdown

% Change	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Median Hourly Rate	\$46.50	\$44.40	\$44.10	\$43.60	\$42.30	\$39.10	\$43.00	\$43.20
Monthly	-1.3%	0.1%	-1.3%	0.5%	0.3%	-0.4%	0.5%	-0.1%
Quarterly	-0.1%	1.2%	0.8%	1.0%	1.9%	-0.1%	0.4%	0.6%
Annual	4.6%	5.0%	5.4%	6.2%	6.2%	3.2%	5.4%	4.8%

Median Hourly Wages (Breakdowns)

Industry Breakdown



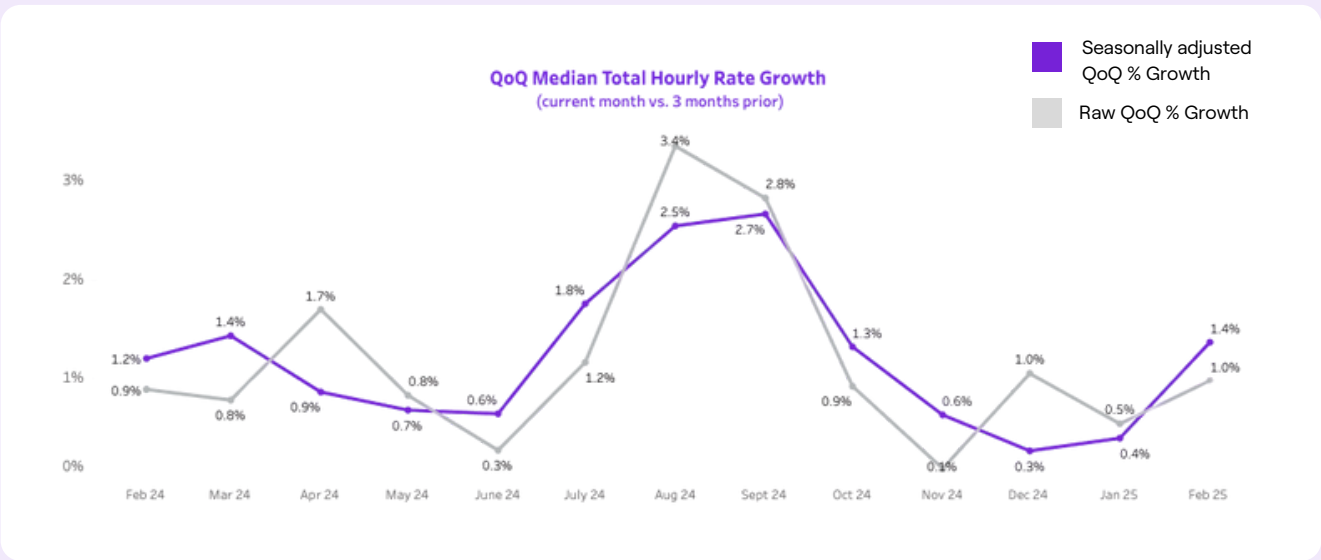
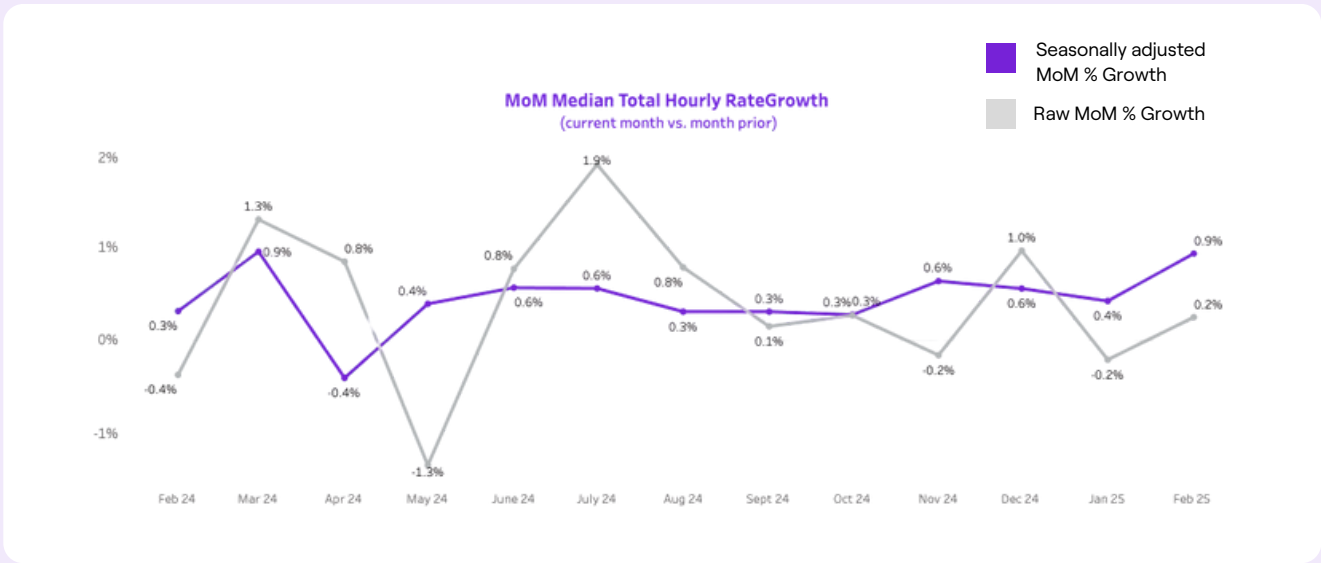
% Change	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Median Hourly Rate	\$50.60	\$46.90	\$41.60	\$35.30	\$59.1
Monthly	2.4%	-1.2%	1.3%	-0.4%	1.2%
Quarterly	0.7%	1.0%	0.2%	1.1%	0.8%
Annual	7.1%	5.0%	4.0%	5.4%	5.2%

Age Breakdown



% Change	14-17 year olds	18-24 year olds	25-34 year olds	35-44 year olds	45-54 year olds	55+ year olds
Median Hourly Rate	\$18.10	\$33.50	\$41.60	\$50.20	\$50.90	\$46.10
Monthly	3.0%	0.5%	0.7%	0.0%	-0.2%	0.0%
Quarterly	1.9%	1.3%	1.5%	1.1%	0.6%	1.1%
Annual	8.6%	8.3%	7.2%	5.8%	4.7%	4.8%

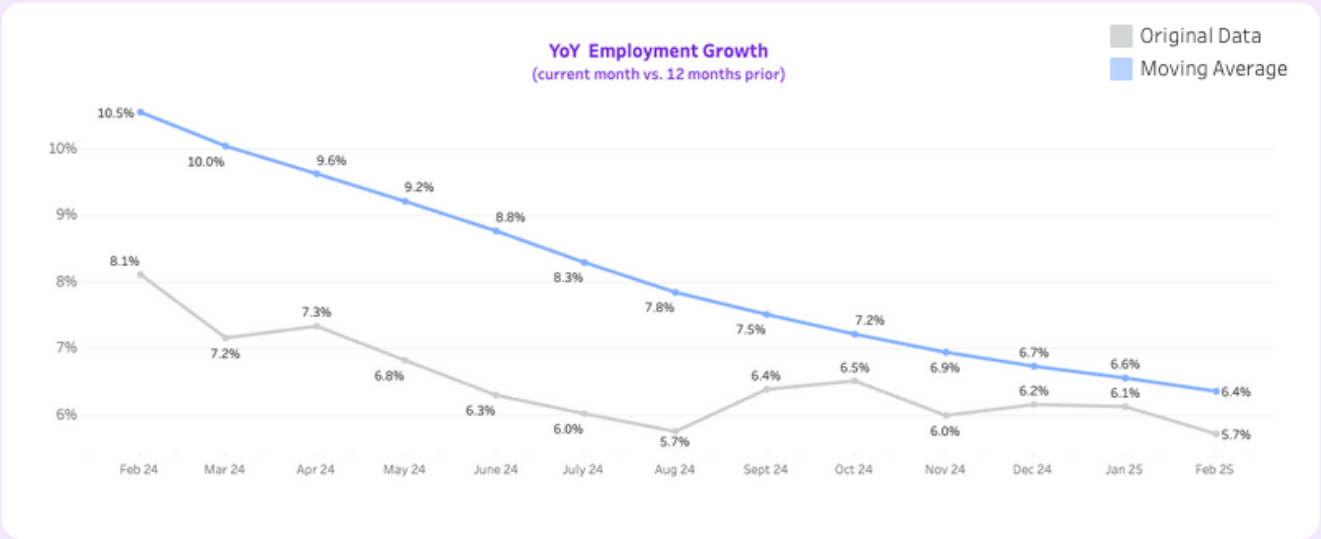
Raw vs. Seasonally Adjusted Median Hourly Wages



In Feb 2025, the seasonally adjusted MoM growth in median hourly wages was +0.9%, compared to a raw growth of 0.2%, indicating a significant upward adjustment due to seasonal factors. Similarly, the seasonally adjusted QoQ growth was +1.4%, notably higher than the raw growth of +1.0%.

These adjustments suggest that seasonal influences played a key role in February's wage trends, particularly for MoM growth, which would have appeared almost flat without seasonal adjustments. While the QoQ adjustments were less pronounced, they still highlight how seasonality mitigated weaker raw growth. Overall, these trends underline the importance of adjusting for seasonality to capture a more accurate picture of underlying wage dynamics in the labor market.

Average Employee Growth



Monthly % Change

vs. Jan 2025

+0.5%

Quarterly % Change

vs. Nov 2024

+0.8%

Annual % Change

vs. Feb 2024

+5.7%



Why this metric matters

The average employment growth metric is a crucial economic indicator that measures the rate at which employment is increasing or decreasing across our dataset for the past 12 months. In February 2025, YoY employment growth stood at +5.7%, continuing its slowdown from earlier double-digit rates.

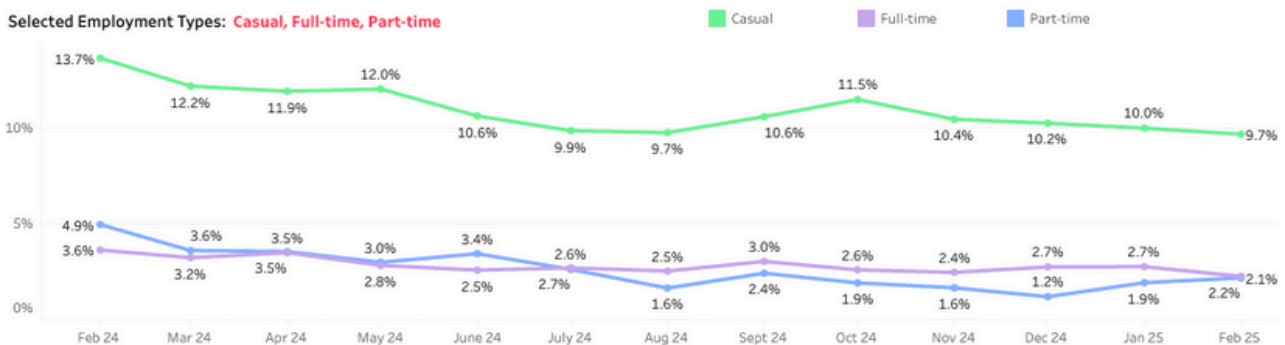
In terms of short-term trends, month-over-month growth showed a modest increase of 0.6%, while quarter-over-quarter growth decreased to 0.8%, pointing towards possible near-term stagnation within the labor market. While overall employment numbers continue to surpass those of the previous year, the rate of expansion has markedly slowed, signaling a cooling of the labor market

Average Employee YoY % Growth (Breakdowns)



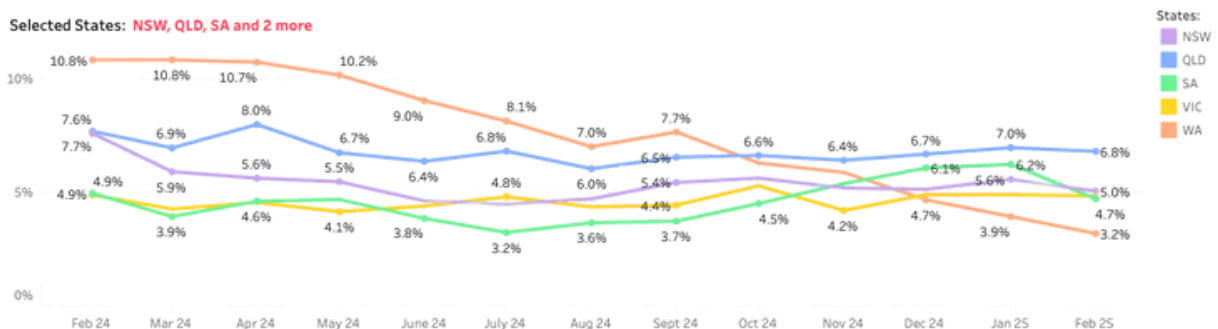
YoY Employment Growth
by Employment Type

Selected Employment Types: **Casual, Full-time, Part-time**



YoY Employment Growth
by Australian State

Selected States: **NSW, QLD, SA and 2 more**



Employment Type Breakdown

YoY Employment Growth in Nov 2024 continues to reflect shifting workforce dynamics. Casual employment leads at +10.2% YoY growth, while part-time roles decline further to +2.5% YoY growth, potentially impacted by a squeeze between the rise of casual flexibility and the security of full-time work. Meanwhile, full-time roles show resilience with steady growth at +5.1% YoY. These trends may highlight a labor market adapting to shifting business needs and employee preferences for flexibility and stability.

State Breakdown

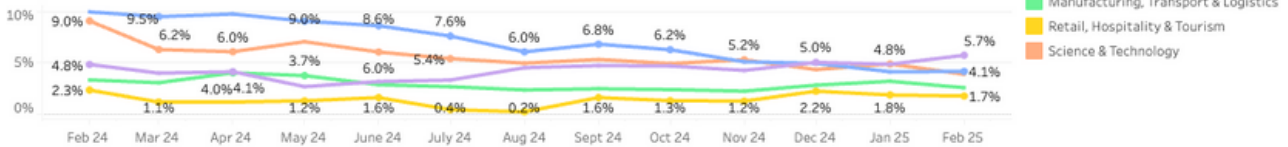
In February 2025, Queensland demonstrated the strongest year-over-year employment growth, achieving a 6.8% increase. New South Wales and Victoria maintained steady growth at 5.0% and 4.9%, respectively. Conversely, South Australia witnessed a notable deceleration, falling from its previous second-place position of 6.2% in January to 4.7% in February 2025. Western Australia's growth momentum continued to decline, reaching a historical low of 3.2%. These state-specific trends collectively point to a broader cooling of employment growth nationally, albeit with differing regional effects.

Average Employee YoY % Growth (Breakdowns)

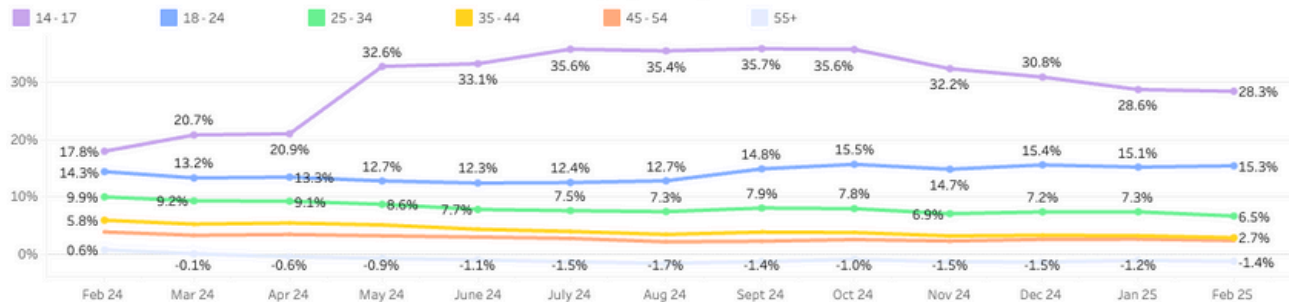


YoY Employment Growth
by Selected Industry

Selected Industry: **Construction & Trade services, Healthcare & Community services, Manufacturing, Transport & Logistics and 3 more**



YoY Employment Growth
by Age Group



Industry Breakdown

In February 2025, year-over-year employment growth maintained a degree of stability across various industries. Construction & Trade Services emerged as the leader with a 5.7% increase, exhibiting consistent and robust acceleration in recent months. The Science & Technology sector continued its downward trend, now aligning with Healthcare & Community Services at 4.1% year-over-year growth. Conversely, Retail, Hospitality & Tourism experienced the slowest growth at 1.7%, likely due to subdued domestic demand driven by the persistent increase in living costs.

Age Breakdown

In February 2025, demand for younger worker groups continued to show significant growth, though with considerable volatility. The 14–17 age group increased by 28.3% compared to February 2024, as Gen Z continues to enter the labor market. A similar trend was observed in the 18–24 age group. The 25–34 age group also saw a substantial 6.5% year-over-year growth, while older groups experienced minimal or no growth. This market shift towards younger workers may be attributed to the recent technology revolution, where younger generations tend to excel.

Average Employee Growth (Breakdowns)

Employment Type



% Change	Full-Time	Part-Time	Casual
Monthly	0.5%	0.3%	0.3%
Quarterly	0.4%	-0.2%	1.7%
Annual	2.2%	2.1%	9.7%

State Breakdown



% Change	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Monthly	-0.1%	0.1%	-0.5%	0.7%	-0.4%	0.7%	0.5%	0.4%
Quarterly	0.8%	0.4%	-3.0%	1.0%	-0.1%	8.0%	0.8%	0.3%
Annual	6.3%	5.0%	8.6%	6.8%	4.7%	-0.6%	4.8%	3.2%

Industry Breakdown



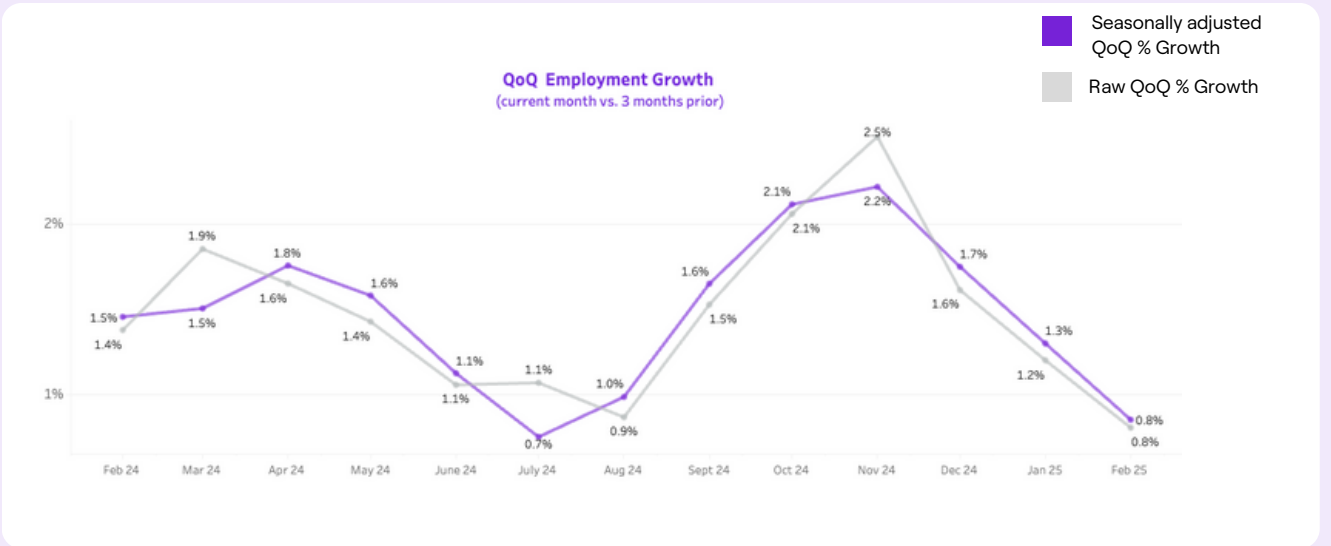
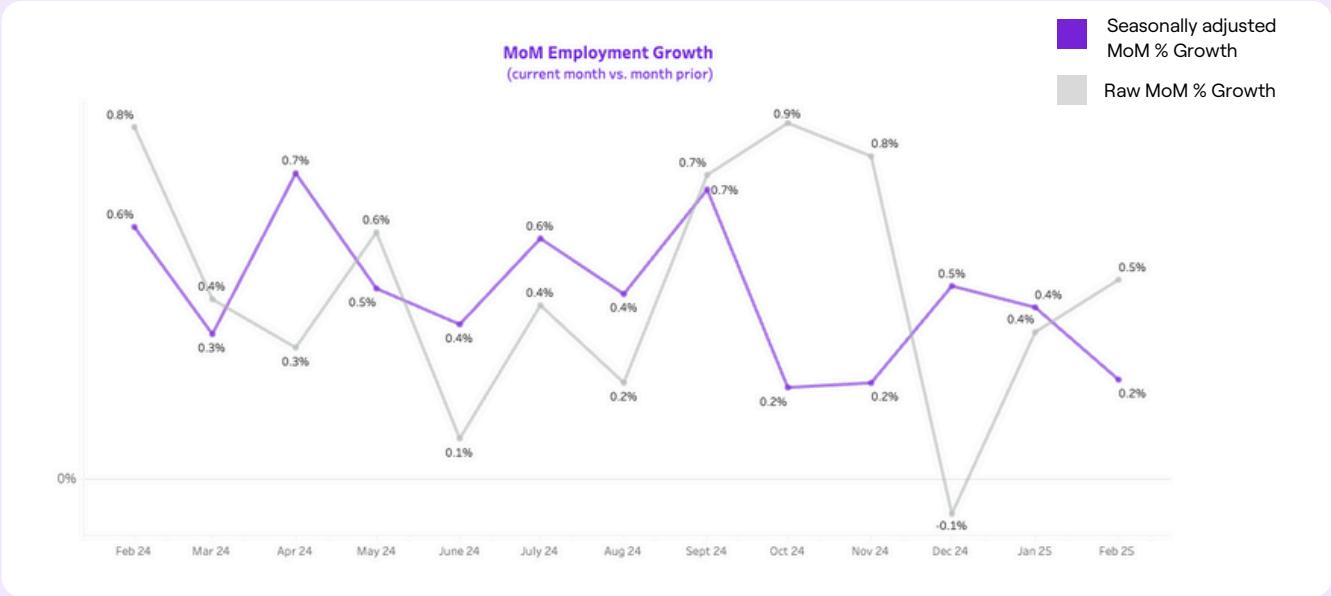
% Change	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Monthly	1.5%	0.3%	0.0%	-0.4%	0.4%
Quarterly	1.6%	0.4%	0.0%	-0.4%	-0.5%
Annual	5.7%	4.1%	2.5%	1.7%	3.8%

Age Breakdown



% Change	14-17 year olds	18-24 year olds	25-34 year olds	35-44 year olds	45-54 year olds	55+ year olds
Monthly	0.1%	1.0%	0.4%	0.2%	0.3%	-0.1%
Quarterly	2.9%	3.7%	1.1%	-0.1%	0.0%	-0.9%
Annual	28.3%	15.3%	6.5%	2.7%	2.2%	-1.4%

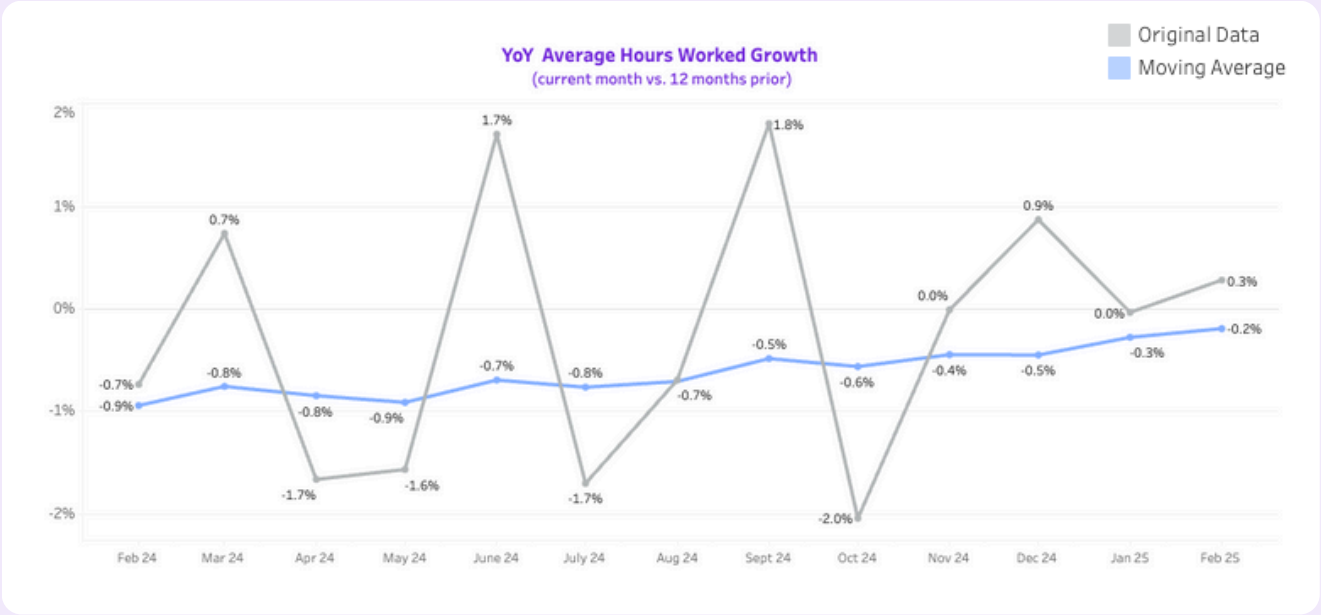
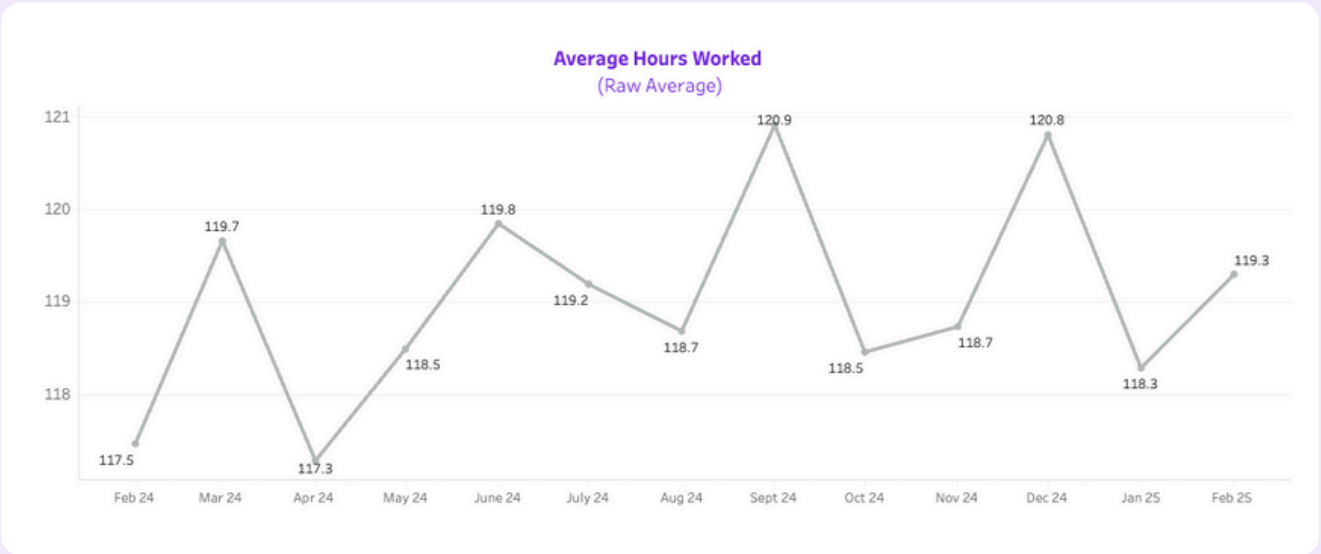
Raw vs. Seasonally Adjusted Average Employment Growth

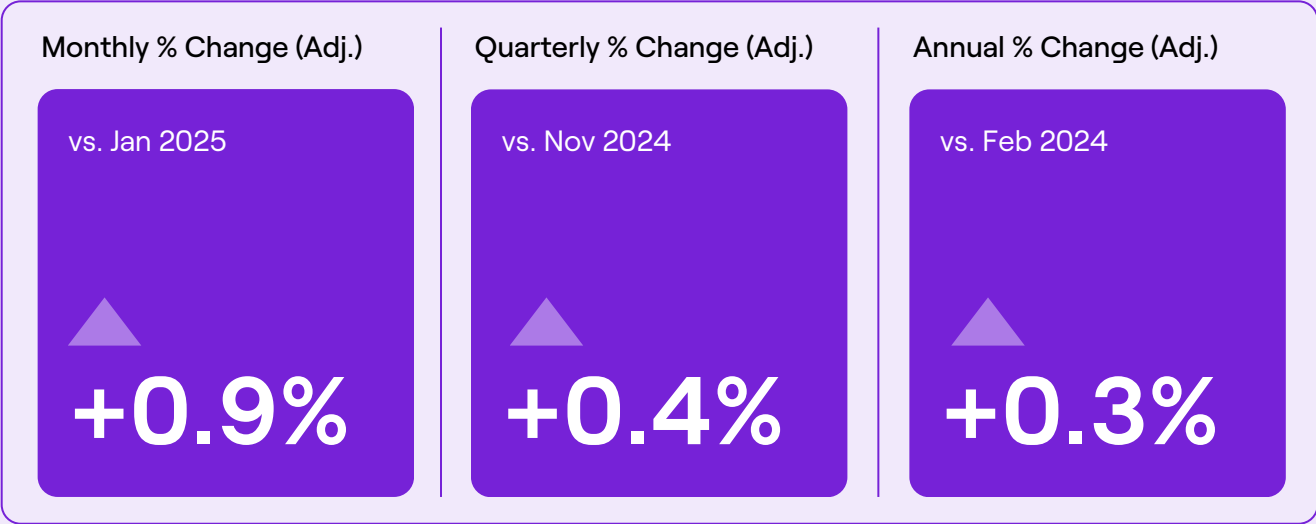


In February 2025, the seasonally adjusted MoM employment growth was almost flat at +0.2%, noticeably lower than the raw MoM growth of +0.5%. This indicates that much of the apparent month-on-month increase in employment can be attributed to seasonal factors rather than underlying economic changes. The seasonal adjustment removes recurring patterns, revealing flat employment growth and suggesting subdued momentum in the labour market.

On the other hand, the seasonally adjusted QoQ growth stood at 0.8%, closely aligned with the raw QoQ growth. This minimal difference suggests that seasonal factors had a limited impact on quarterly employment trends, indicating that the observed growth is more reflective of sustained labor market dynamics. The alignment between raw and adjusted figures over the quarter points to some stability in employment conditions over the longer term.

Average Hours Worked





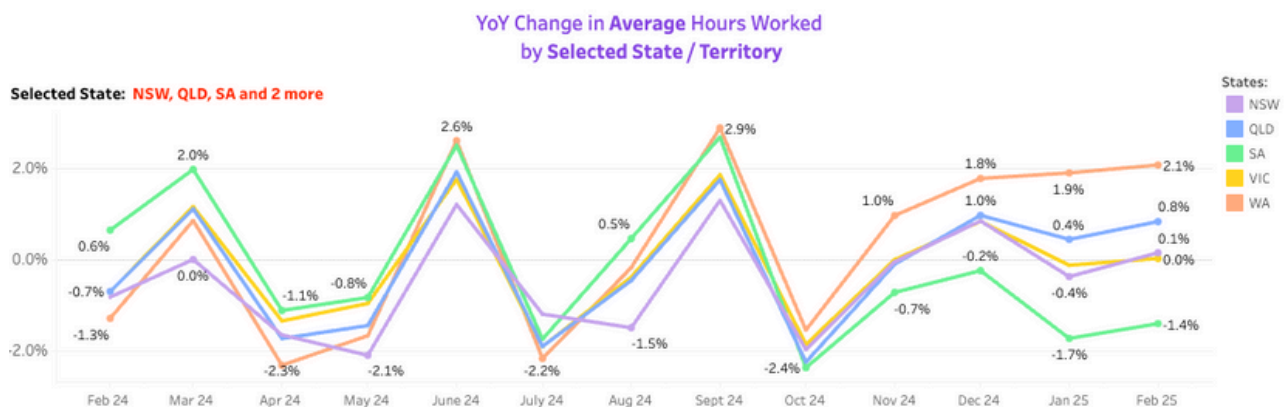
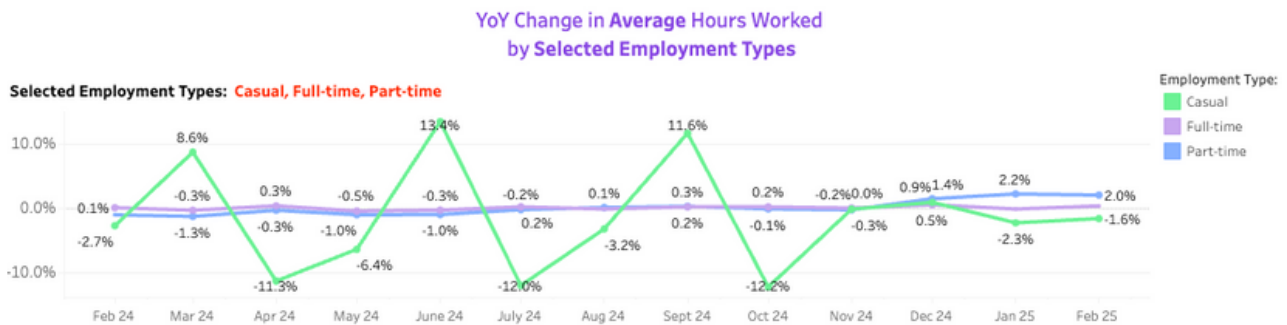
Why this metric matters

The average hours worked metric measures the raw average hours worked of both Employment Hero HR and Payroll users and the % adjusted change overtime for the preceding 12 months (please refer to methodology section for more details on the adjusted % change overtime). It is a key indicator of economic productivity and workforce utilisation.

Month-on-month, the adjusted percentage change in average hours worked increased by +0.9% compared to Jan 2025, reflecting a slight rebound in hours worked.

Similarly, both the quarter-on-quarter and year-on-year change showed modest increase of 0.4%, and 0.3% respectively, signalling a relatively stable work dynamics in the labour market.

Average Hours Worked YoY % Adjusted Growth (Breakdowns)



Employment Type Breakdown

Average hours worked remained flat YoY for full-time workers in Feb 2025, and part-time workers saw a modest increase of 2.0%, indicating stability for permanent roles. In contrast, casual hours saw a slight decrease at -1.6% YoY, which shows a sign of recovery from the -2.3% decrease in January, and the trend in the past 6 months seemed to signal a more stable contingent labour market, moving away from the significant volatility experience throughout 2024.

State Breakdown

In Feb 2025, all states experienced slightly acceleration in YoY growth in average hours worked, with WA continuing to lead at 2.1% increase. QLD followed with 0.8% growth compared to Feb 2024, while NSW and VIC, whose workforce largely consists of full-time workers, sat flat with no growth. South Australia, on the other hand, saw a minor decrease at -1.4%.

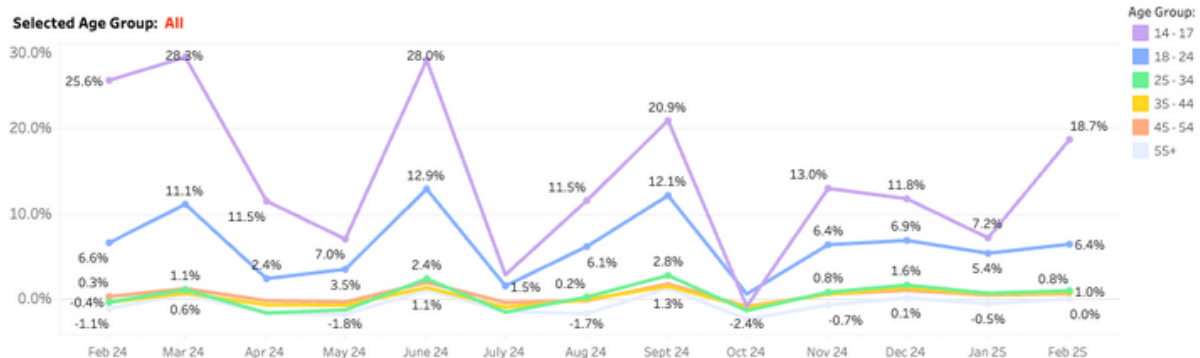
Average Hours Worked YoY % Adjusted Growth (Breakdowns)



YoY Change in Average Hours Worked by Selected Industry



YoY Change in Average Hours Worked by Selected Age Groups



Industry Breakdown

February 2025 revealed diverse patterns in average hours worked across different sectors. The Science & Technology sector witnessed a minor decline, converging with Construction & Trade Services and Manufacturing, Transport & Logistics at a 0.4% year-over-year increase. Given its reliance on casual employment, Healthcare & Community Services continued to experience a decrease in hours, registering a 1.2% reduction. In contrast, Retail, Hospitality & Tourism showed a marginal recovery of 0.3%, which may indicate an adjustment to recent sustained headcount cuts.

Age Breakdown

Younger workers continued to experience substantial YoY increase in average hours worked, with the 14–17 seeing the steepest boost, reaching 18.7% in Feb 2025. The 18–24 group followed with 6.4% growth in average hours worked as more Gen-Z stepped into full-time jobs, while older groups, having much more stable workforce composition, saw little to no growth.

Average Hours Worked (Breakdowns)

Job Type



% Change (Adj.)	Full-Time	Part-Time	Casual
Average Hours Worked	152.2	104.4	67.4
Monthly	1.1%	1.0%	1.4%
Quarterly	0.3%	2.6%	-3.1%
Annual	0.3%	2.0%	-1.6%

State Breakdown



% Change (Adj.)	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Average Hours Worked	114.5	120.6	115.0	120.8	114.2	111.2	119.1	119.0
Monthly	0.3%	0.5%	1.0%	1.2%	1.4%	0.0%	1.0%	1.45%
Quarterly	0.3%	0.1%	1.2%	0.7%	-0.2%	-1.8%	0.9%	0.5%
Annual	-0.9%	0.1%	1.0%	0.8%	-1.4%	-2.2%	0.0%	2.1%

Industry Breakdown



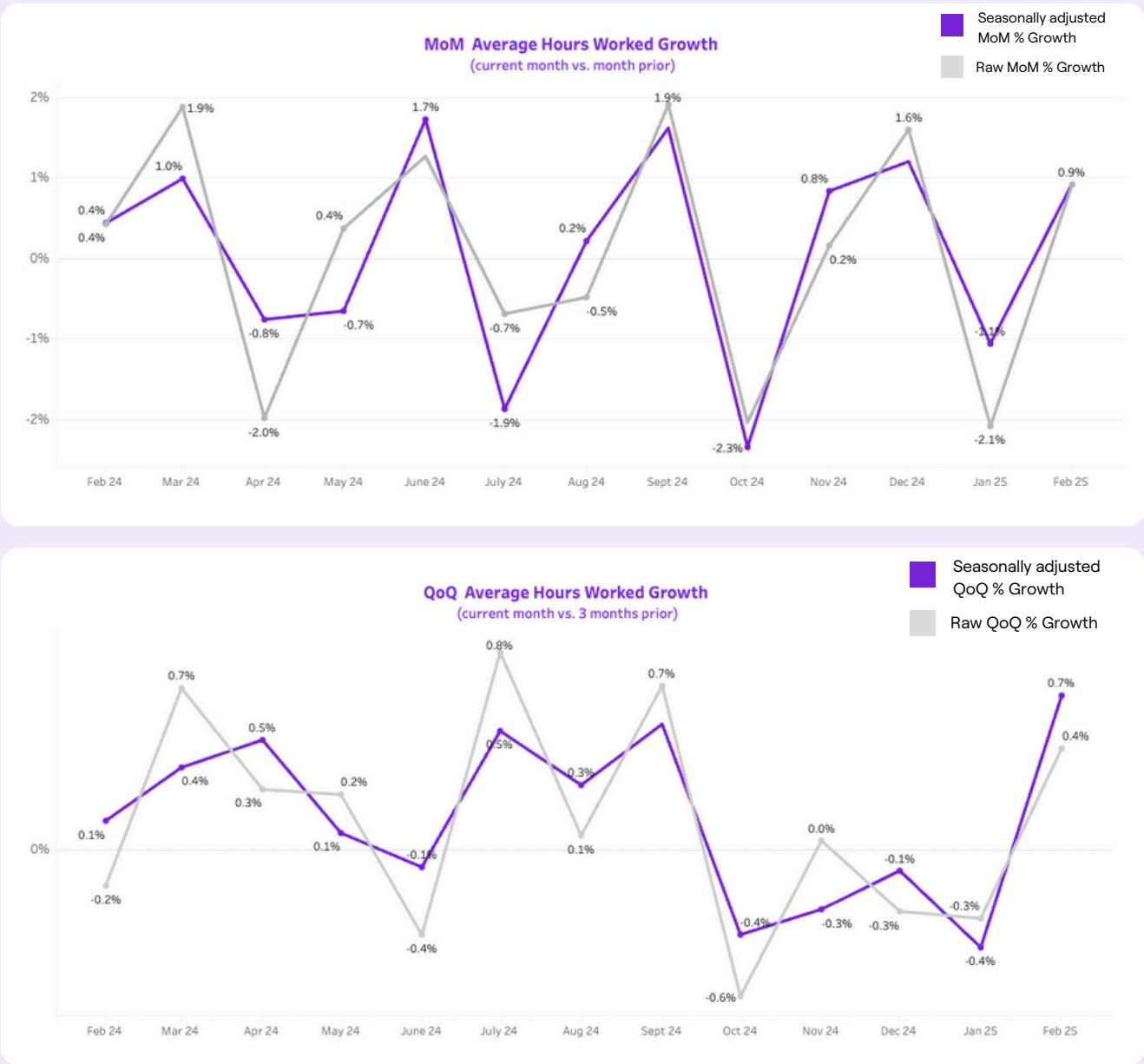
% Change (Adj.)	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Average Hours Worked	140.4	103.3	140.0	102.9	143.6
Monthly	2.8%	0.6%	2.4%	0.3%	-0.4%
Quarterly	-0.5%	-0.3%	0.0%	0.4%	1.2%
Annual	0.2%	-1.2%	0.2%	-0.3%	0.4%

Age Group Breakdown



% Change (Adj.)	14-17 year olds	18-24 year olds	25-34 year olds	35-44 year olds	45-54 year olds	55+ year olds
Average Hours Worked	35.9	91.4	122.3	128.3	129.2	117.9
Monthly	-18.8%	1.6%	1.2%	0.9%	0.8%	1.0%
Quarterly	9.2%	3.0%	0.7%	0.4%	0.2%	0.2%
Annual	18.7%	6.4%	1.0%	0.8%	0.6%	0.0%

Raw vs. Seasonally Adjusted Average Hours Worked



The seasonally adjusted MoM and QoQ growth rates for average hours worked in Feb 2025 were closely aligned to their raw counterparts. Adjusted MoM growth rate agrees with the raw growth rate at 0.9%, reflecting minimal short-term impacts of seasonal factors in a relatively quiet month like February where tourism and holiday effects are minimal. Seasonal adjustments led to a QoQ growth of 0.7% in average hours worked, slightly higher than the raw figure of 0.4%, indicating relatively healthy labour market dynamics.

Methodology



Overview

The Monthly SmartMatch Employment Report is powered by data directly drawn from the Employment Hero platform, reflecting the labour market activity of Australia's resident population aged 14 years and over. The report is designed to provide estimates of employment across Australia, focusing on the following core metrics:

- Employment Growth: Measured as the change in the average number of active employees per billed business
- Average Hours Worked
- Median Hourly Rate

Each of these metrics is further broken down by:

- State: Based on the employee's designated work address
- Industry: Generalised from the organisation's profile
- Employment Type: Based on tax file declarations
- Age Group



Scope and coverage

The scope of the report is verified, active employees recorded on the Employment Hero platform who are aged 14 years and over and are eligible as Australian residents for tax purposes. Since employees are uniquely identified by employee IDs on the platform, the likelihood of a person being counted at two separate dwellings is considered insignificant. To ensure data reliability, the calculations are restricted to billed businesses only, which covers over 1.1 million active employees in the reporting month.

For an individual to be considered in the calculation for the hours worked and hourly rate, at least one genuine payslip ended within the reporting month must be available.

Furthermore, due to the potential presence of extreme outliers and errors introduced by human factors, additional rules have been applied in calculating the average hours worked and median hourly rate. Specifically, exclusions have been applied to employees:

- Whose hourly rate is below \$1 or over \$2,000
- Whose total hours worked within the month is less than 1 hour or exceeds 744 hours (31 days x 24 hours)

The sample size for the two metrics are therefore reduced to approximately 400,000 for the reporting month.

Methodology



Metrics Computation

Cohort Growth Rate

To minimise the impact of business strategy on the calculation of estimates, a cohort correction has been applied to the sample to ensure accurate growth rate generation. Specifically, for month-on-month growth, only organisations that were billed in both the reporting month and the month prior are included in the computation.

A similar approach is applied to quarter-on-quarter growth rates (organisations that were billed in both the reporting month and three months prior) and year-on-year growth rates (organisations that were billed in both the reporting month and twelve months prior).

Methodology



Normalisation of payslips

The methodology for calculating hours worked and hourly rates is based directly on Employment Hero's payroll system. First, an aggregation is made at the employee level for all payslips finalised within the reporting month. The average length of the pay period is calculated and combined with information from tax file declarations to determine the employee's pay frequency. To account for variations in the number of pay runs across different months, a normalisation process is applied to the hours worked and base pay of all full-time and part-time employees, based on their pay frequency, using the following formula:

Normalised base compensation/hours = (Aggregated compensation/hours from all payslips this month) ÷ (number of unique payruns the employee was involved in during the reporting month) x N

Where N is determined by the pay frequency, namely

- Weekly frequency : N=4
- Biweekly frequency : N=2
- Monthly frequency : N=1

Additional considerations:

- No normalisation is applied to casual workers or labour hires.
- Additional remunerations, such as one-off bonuses or commissions, are added on top of the normalised base compensation to calculate the total monthly compensation.
- Compensated, ordinary leaves—including annual leave, sick days, or rostered days off—are counted as valid hours worked.

With above assumptions, the calculations of each metrics are as below:

1) Employment Growth

% of Cohort growth in Average Number of Employees per Business

2) Hours Worked

Normalised Hours Worked

3) Hourly Rate

Total monthly compensation ÷ Normalised Hours Worked

Methodology



Seasonality Adjustment

Data often fluctuates due to regular, seasonal patterns (for example, retail sales usually go up during Christmas). To account for these patterns, we apply a seasonality adjustment. This helps us understand the underlying trends without the seasonal spikes or dips.

We chose the X13-ARIMA method for this adjustment because it is a robust and widely accepted technique. It allows us to separate regular seasonal changes from actual, meaningful trends. However, it's important to note that X13-ARIMA was primarily designed to handle monthly or quarterly seasonal adjustments, not Year-over-Year (YoY) seasonality.

Adjusting for these patterns provides more accurate insights that help inform decision-making.