October 2024

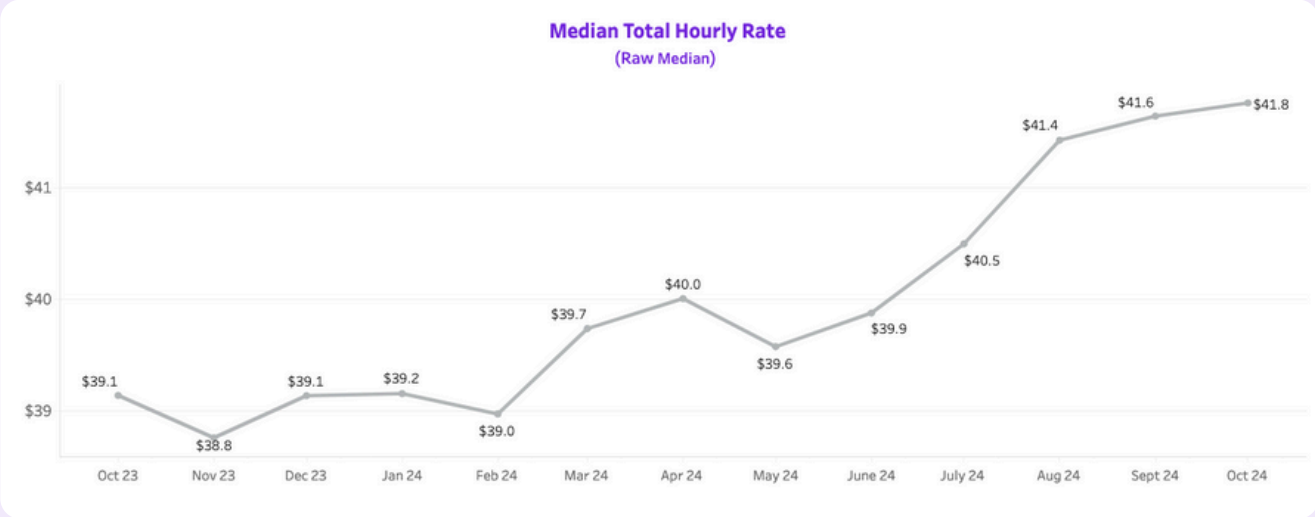
Employment Hero's

SmartMatch Employment Report

SmartMatch
by employment hero

Contents

Median Hourly Wages



Monthly Change	Quarterly Change	Annual Change
vs. Sep 2024	vs. Jul 2024	vs. Oct 2023
+0.1%	+2.9%	+5.0%

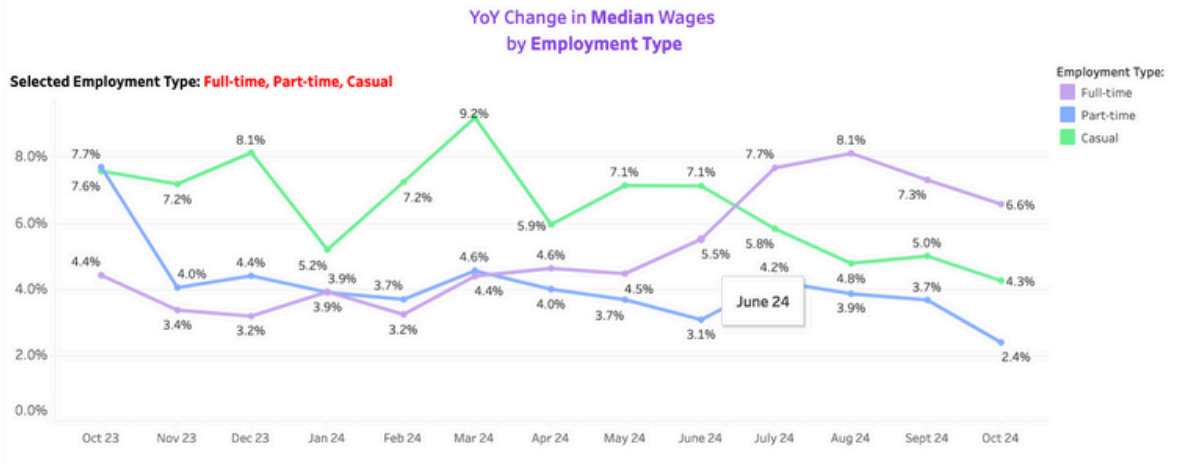
Why this metric matters

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.

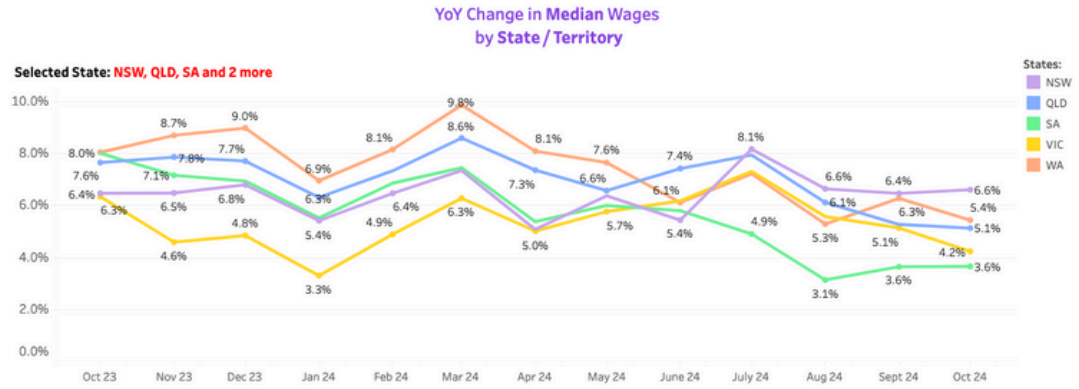
The median hourly rate has grown by +5.0% year-on-year since Oct 2023 and continues to climb, marking its fifth consecutive month of growth. As of Oct 2024, it stands at an all-time high of $41.80, however the modest +0.1% month-on-month increase since Sept 2024 signals a deceleration in growth momentum, indicating a potential stabilisation in the upward trend.

Median Hourly Wages (Breakdowns)

Employment Type Breakdown



State Breakdown



Employment Type Breakdown

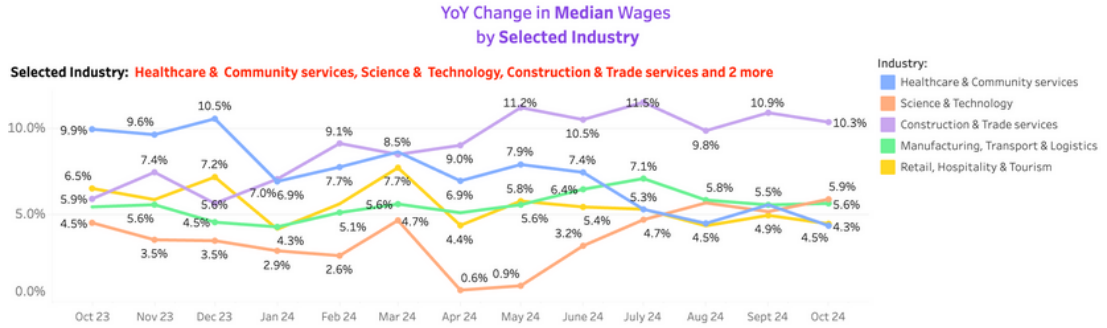
As at Oct 2024, wages growth has slowed across all employment types, suggesting a broader cooling in wage growth momentum. Full-time roles continue to lead with a solid +6.6% YoY increase, though this reflects a decline from their mid-year peak. Casual employment, while volatile, has softened to +4.3% YoY growth, and Part-time roles show the weakest growth at +2.4%.

State Breakdown

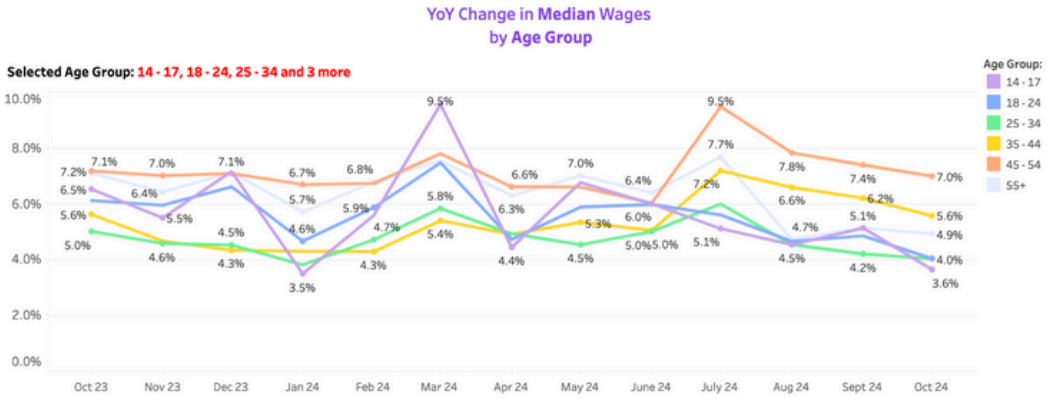
Wage growth momentum has softened slightly in WA, QLD, and VIC in October 2024. NSW, however, experienced a modest uptick to +6.6% YoY, despite being below its earlier peaks. SA remains relatively stable at +3.6% YoY. Notably, WA shows the sharpest slowdown, with growth falling to +3.6% YoY, reflecting a significant deceleration from Sept 2024.

Median Hourly Wages (Breakdowns)

Industry Breakdown



Age Breakdown



Industry Breakdown

Most industries experienced a slowdown in YoY Median Hourly Wages growth from Sept to Oct 2024. The Construction & Trade Services industry, while maintaining the highest growth rate, saw its pace ease from +10.9% to +10.3%. In contrast, the Science & Technology sector bucked the trend with the largest increase, rising from +5.0% in Sept to +5.9% in Oct 2024.

Age Breakdown

YoY growth in median hourly wages slowed across all age groups from Sept to Oct 2024, with the 14-17 age group seeing the sharpest drop from +5.1% to +3.6%. The 18-24 and 25-34 groups also recorded notable declines, while older groups saw more modest slowdowns. This reflects a consistent deceleration in wage growth, particularly among younger workers.

Median Hourly Wages (Breakdowns)

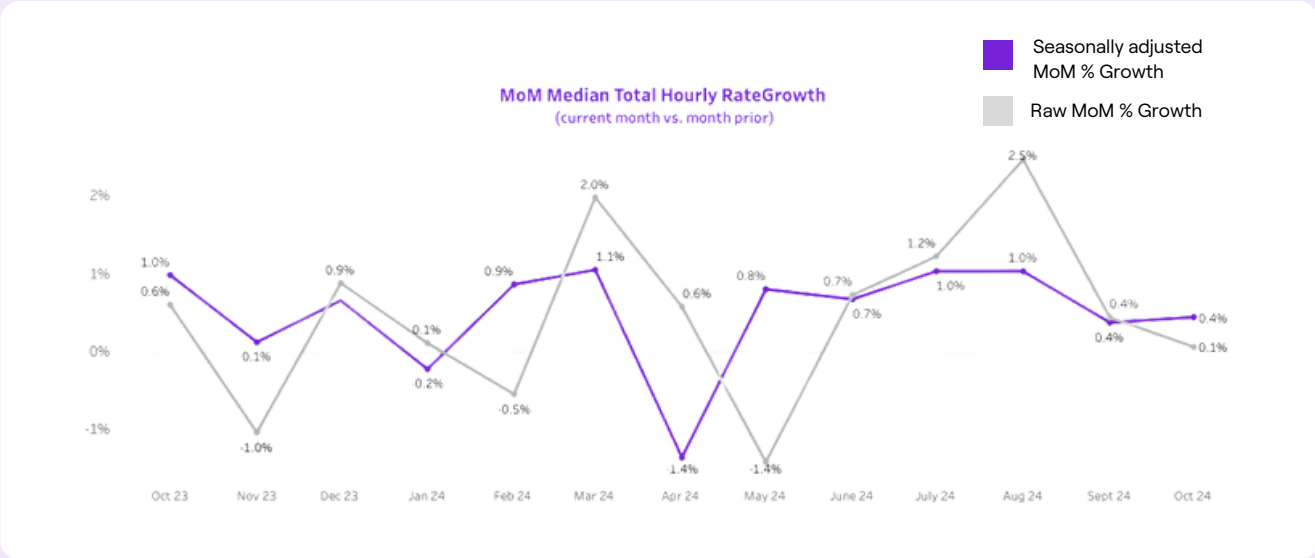
Industry Breakdown

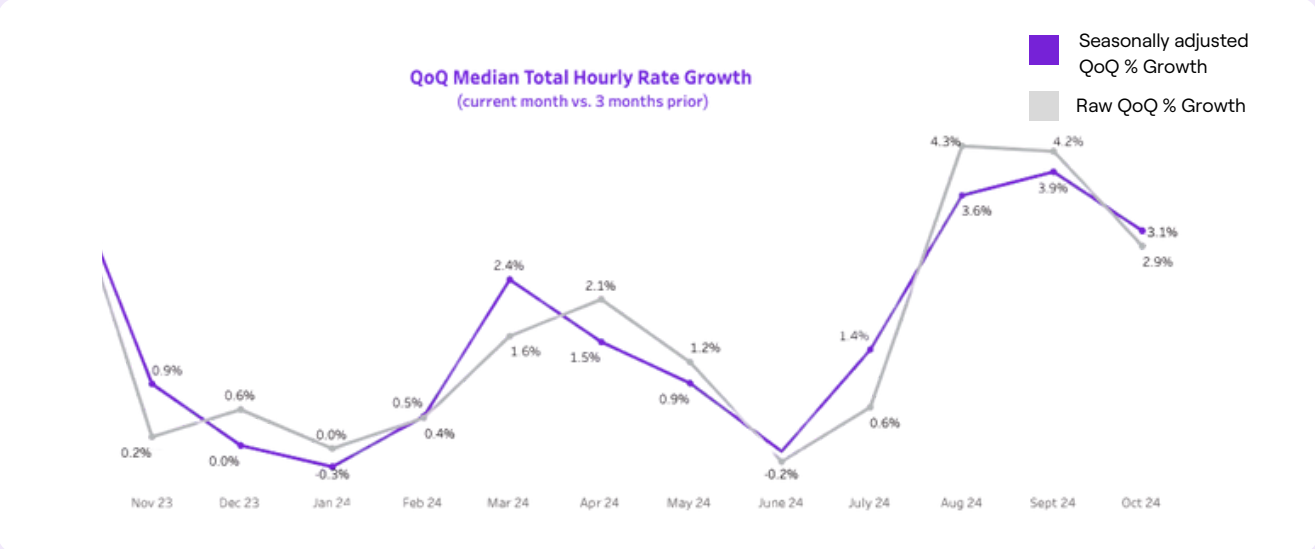
% Change	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Median Hourly Rate	$50.90	$47.60	$40.50	$34.80	$59.5
Monthly	0.6%	0.8%	0.7%	0.7%	-0.5%
Quarterly	1.9%	3.0%	3.2%	2.1%	5.8%
Annual	10.3%	4.3%	5.6%	4.5%	5.9%

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	$19.50	$34.30	$41.70	$50.5	$50.10	$44.30
Monthly	-0.1%	-0.1%	0.3%	0.3%	0.3%	0.1%
Quarterly	2.4%	1.6%	3.0%	3.1%	3.7%	2.7%
Annual	3.6%	4.0%	4.0%	5.6%	7.0%	4.9%

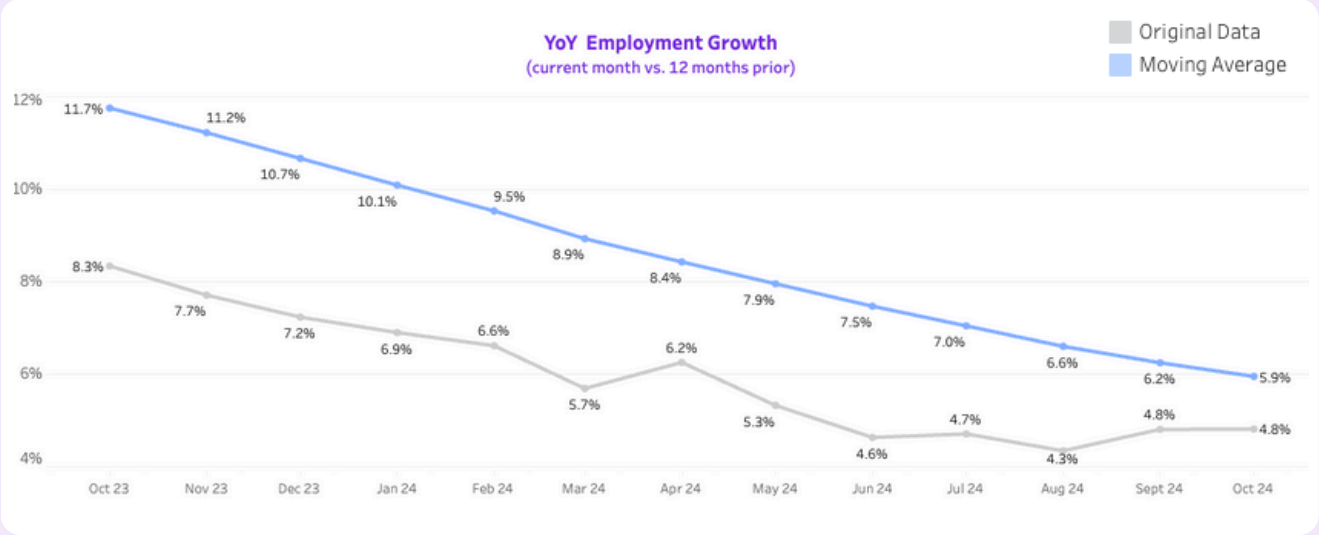
Raw vs. Seasonally Adjusted Median Hourly Wages





The seasonally adjusted MoM growth in median hourly wages for October 2024 stands at +0.4%, with QoQ growth at +3.1%. These figures are slightly higher than the raw growth rates, indicating that seasonality has had minimal impact on median hourly wages.

Average Employee Growth



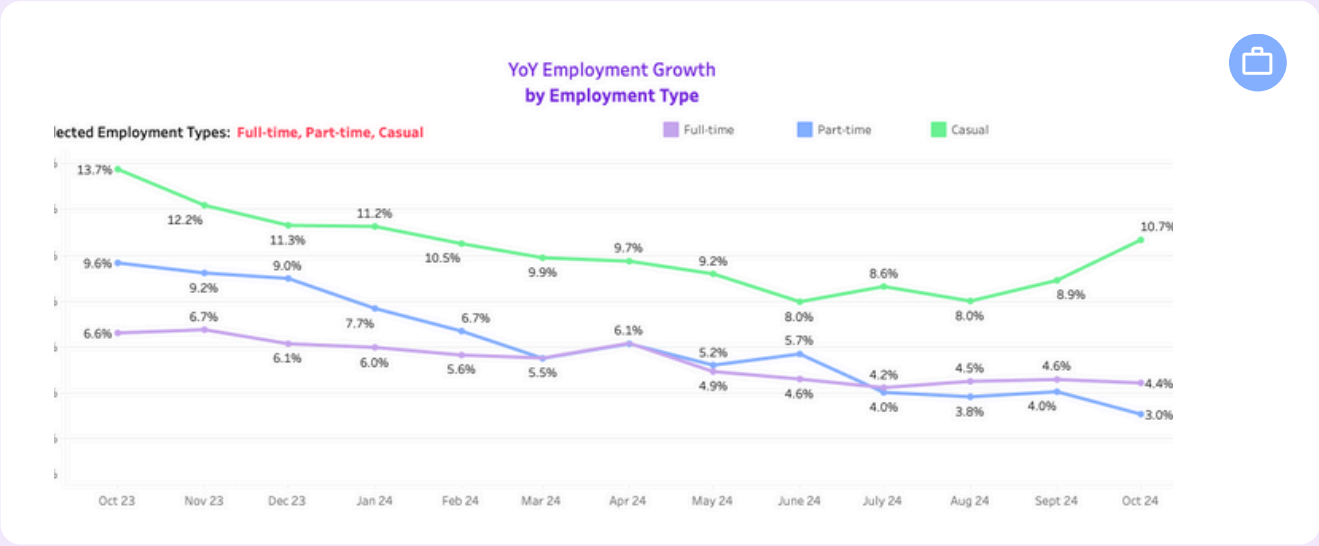
Monthly % Change	Quarterly % Change	Annual % Change
vs. Sep 2024	vs. Jul 2024	vs. Oct 2023
+0.9%	+1.7%	+4.8%

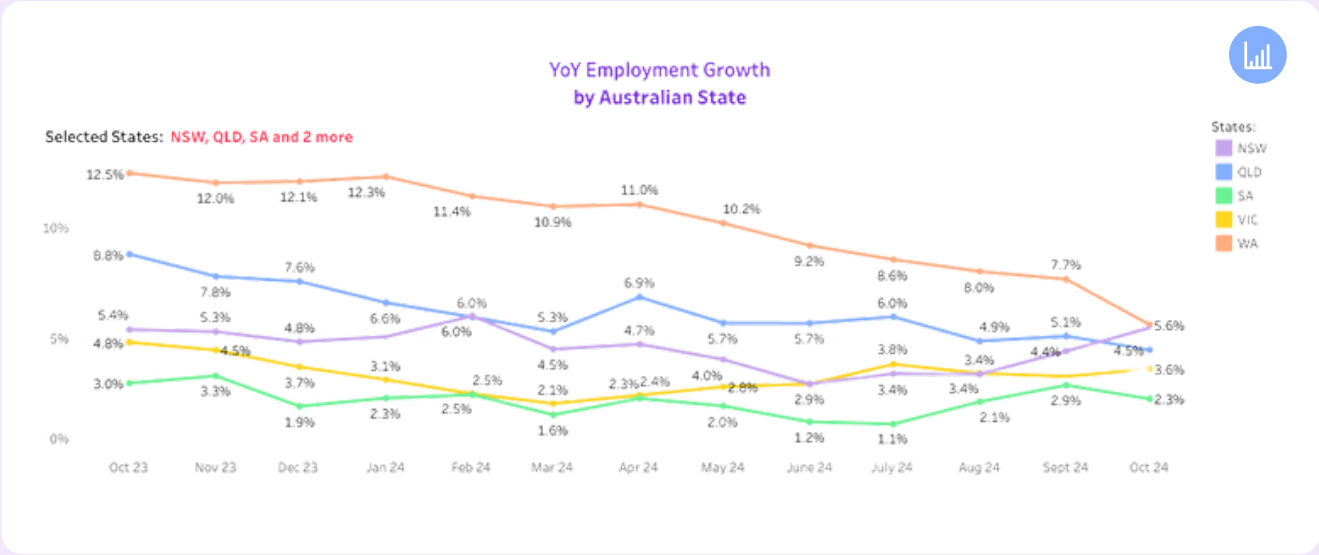
Why this metric matters

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.

Despite the overall average employment growth trending downwards across the past 12 months, October 2024 shows a moderate YoY % Employment Growth of 4.8%. This trend suggests that while employment levels are still growing compared to the previous year, the pace of growth has halved, signalling a cooling labor market.

Average Employee YoY % Growth (Breakdowns)





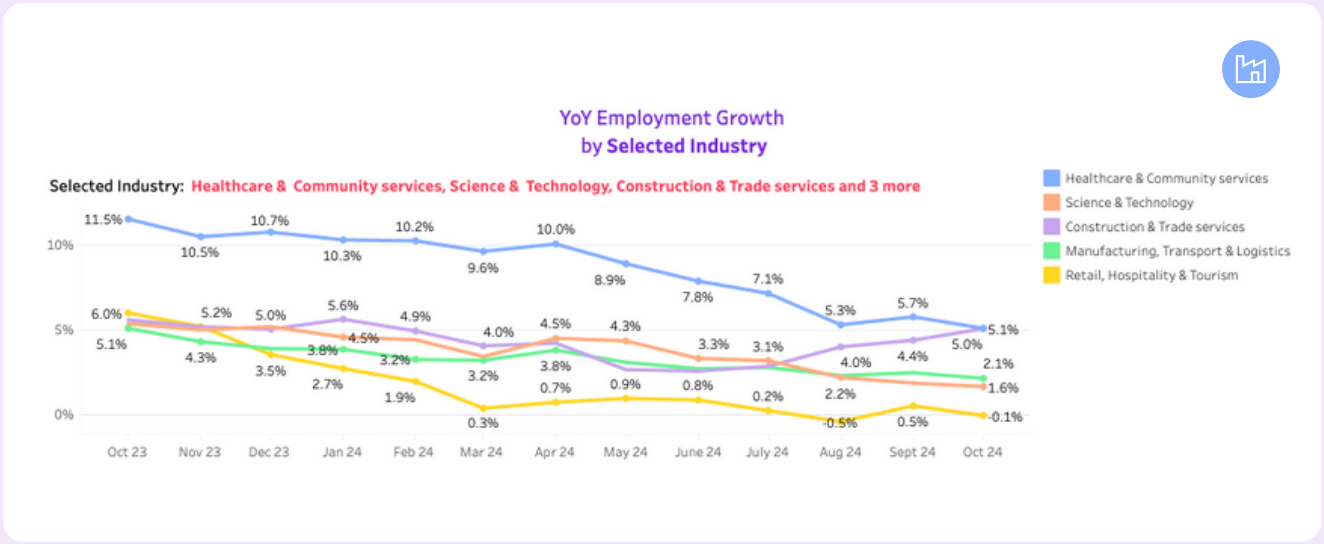
Employment Type Breakdown

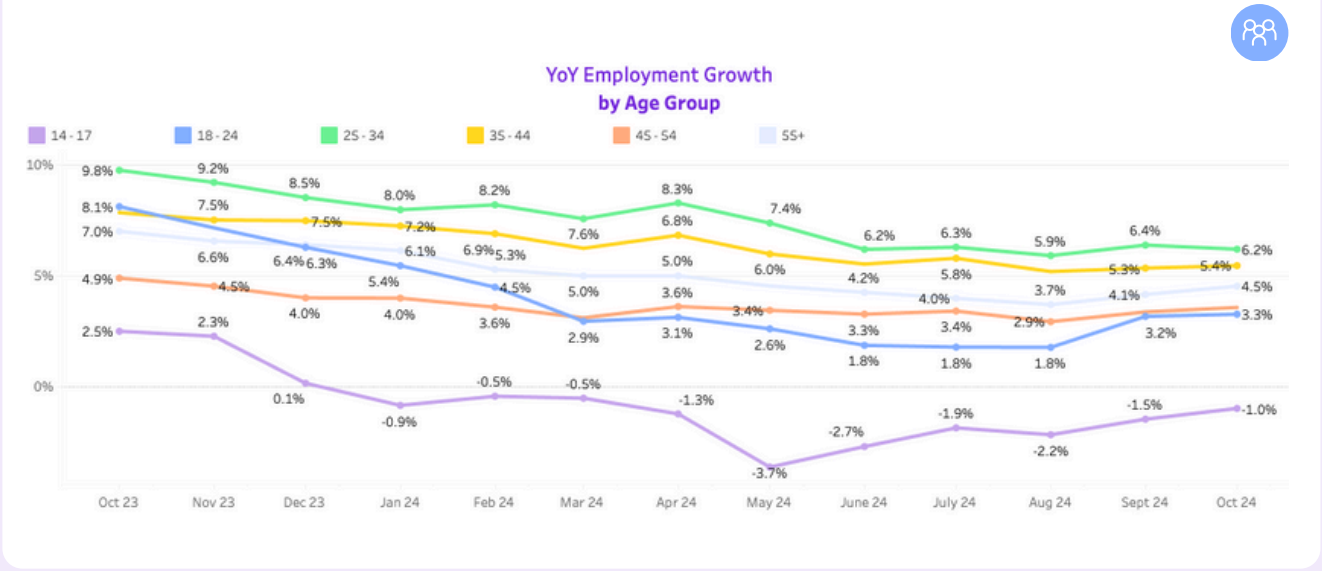
YoY Employment Growth rates are indicative of shifting workforce dynamics, with casual employment rebounding strongly to a +10.7% YoY growth rate in Oct 2024, the highest among all categories. In contrast, part-time employment continues to decline, dropping to just +3.0% YoY growth, the lowest across the board. Full-time roles remain steady at +4.4% YoY growth, showing resilience amid broader market shifts. These trends may point to a rising demand for flexible roles.

State Breakdown

WA and NSW lead YoY Employment Growth rates, with each recording a +5.6% uplift in Oct 2024, though the former is down from double-digit rates seen earlier in the year. QLD follows closely at +4.5%, showing moderate resilience. In contrast, VIC and SA experienced subdued growth at +3.6% and +2.3%, respectively. These trends highlight a continued cooling of employment growth nationwide, with varying impacts by state.

Average Employee YoY % Growth (Breakdowns)





Industry Breakdown

Most industries saw moderate contraction in YoY % Average Employment Growth rates. Healthcare & Community Services and Construction & Trade Services jointly led at +5.1%, with the latter showing a moderate MoM growth uptick over the quarter. Meanwhile, Retail, Hospitality & Tourism confirmed earlier predictions of a YoY decline, dropping to -0.1% YoY in Oct 2024.

Age Breakdown

YoY employment growth trends by age group revealed fairly stable performance across demographics. The 25-34 age group led with +6.2% growth in October 2024, slightly down from September, followed by 35-44 at +5.4%. Meanwhile, younger workers (14-17) continued to see YoY declines, though at a slower rate of -1.0%.

Average Employee Growth (Breakdowns)

Employment Type

% Change	Full-Time	Part-Time	Casual
Monthly	0.5%	0.4%	1.5%
Quarterly	1.1%	1.2%	4.4%
Annual	4.4%	3.0%	10.7%

State Breakdown

% Change	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Monthly	1.0%	0.8%	0.3%	0.7%	0.2%	0.1%	0.8%	0.5%
Quarterly	0.7%	2.1%	-4.4%	0.9%	1.6%	-1.0%	1.2%	0.7%
Annual	0.8%	5.5%	3.6%	4.5%	2.3%	-4.4%	3.6%	5.6%

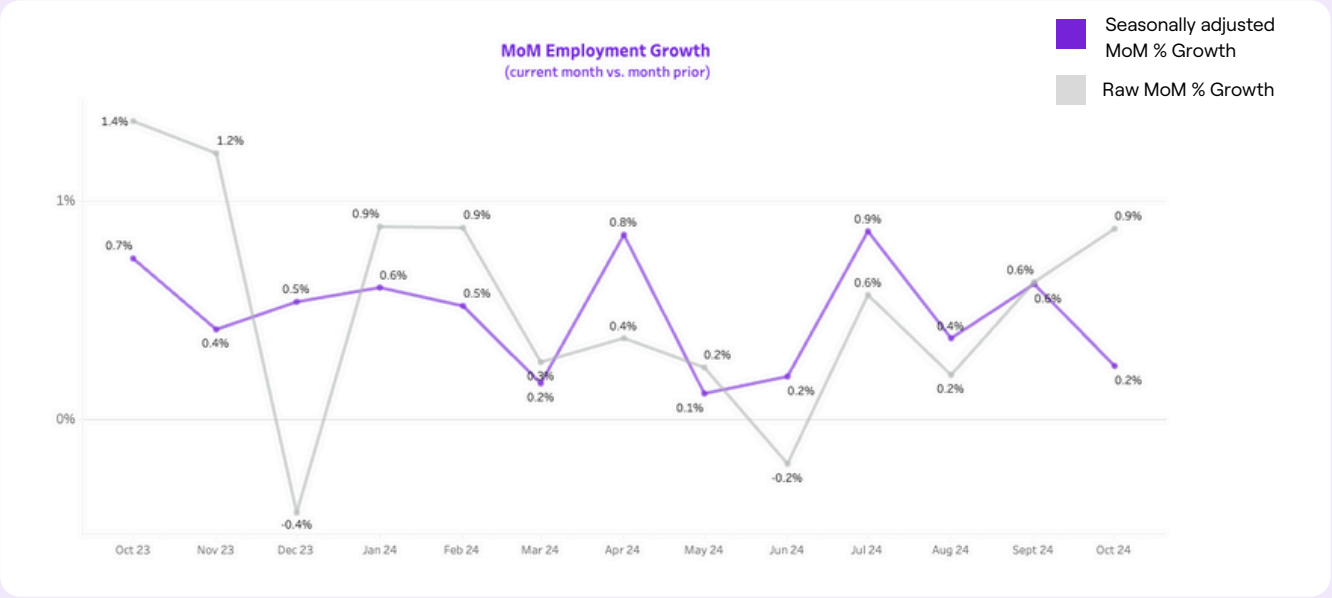
Industry Breakdown

% Change	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Monthly	1.1%	0.7%	0.6%	1.5%	0.2%
Quarterly	2.3%	1.5%	0.8%	2.7%	-0.7%
Annual	5.0%	5.1%	2.1%	-0.1%	1.6%

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	1.7%	0.9%	0.9%	0.5%	0.3%	0.4%
Quarterly	4.6%	2.0%	1.5%	1.2%	0.8%	1.0%
Annual	-1.0%	3.3%	6.2%	5.4%	3.6%	4.5%

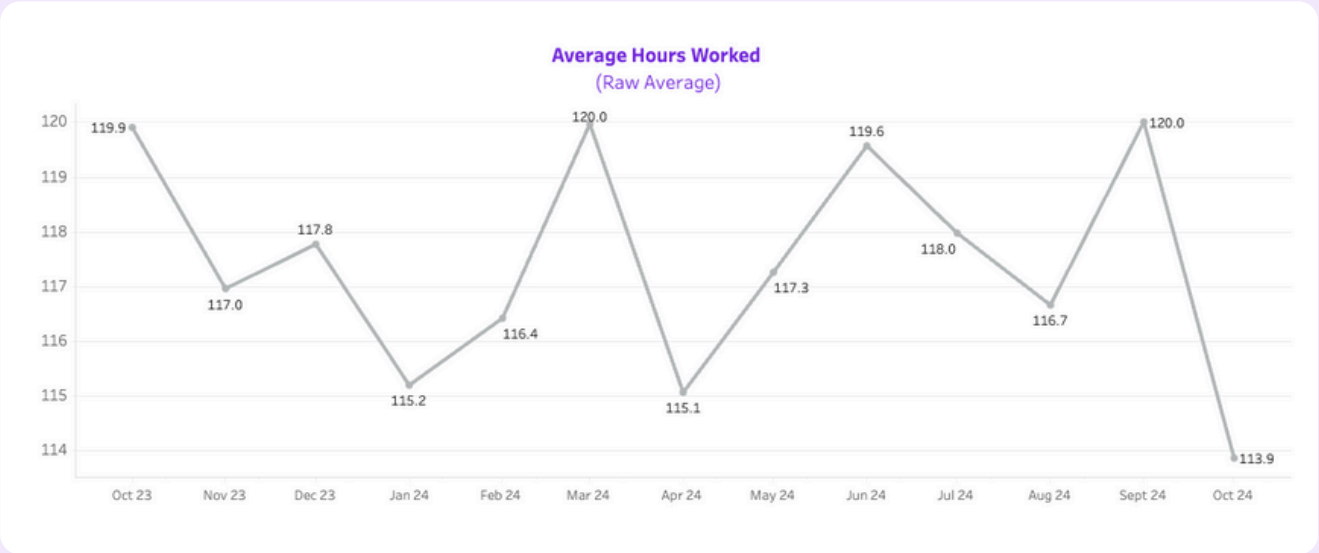
Raw vs. Seasonally Adjusted Average Employment Growth

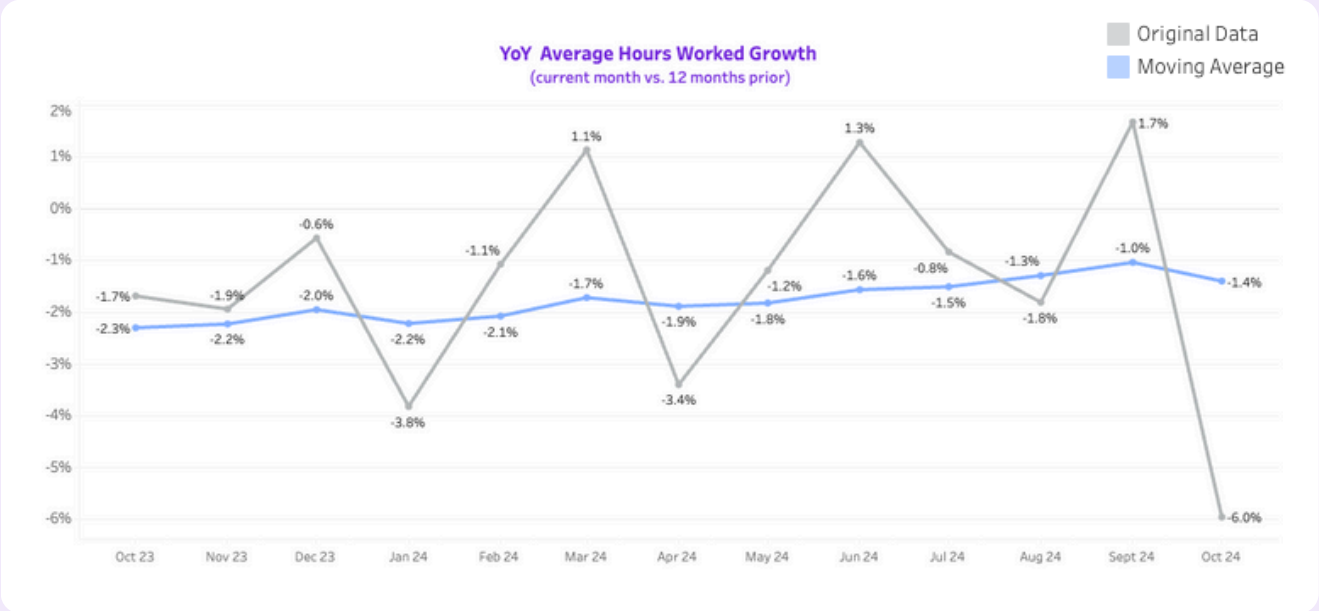


The seasonally adjusted MoM employment growth for October 2024 is 0.2%, while the seasonally adjusted QoQ growth for September 2024 is 1.9%. The QoQ seasonally adjusted growth closely aligns with the raw figure, but the seasonally adjusted MoM growth is 0.7% lower than the raw growth of 0.9%.

This indicates that, after accounting for seasonal patterns, employment growth in October 2024 was relatively modest. The raw MoM growth of 0.9% may suggest stronger growth; however, the seasonally adjusted data reveals that much of this increase is attributable to recurring seasonal factors, rather than a significant change in labor demand or economic conditions.

Average Hours Worked





Monthly % Change (Adj.)	Quarterly % Change (Adj.)	Annual % Change (Adj.)
vs. Sept 2024	vs. July 2024	vs. Oct 2023
-5.1%	-3.6%	-6.0%

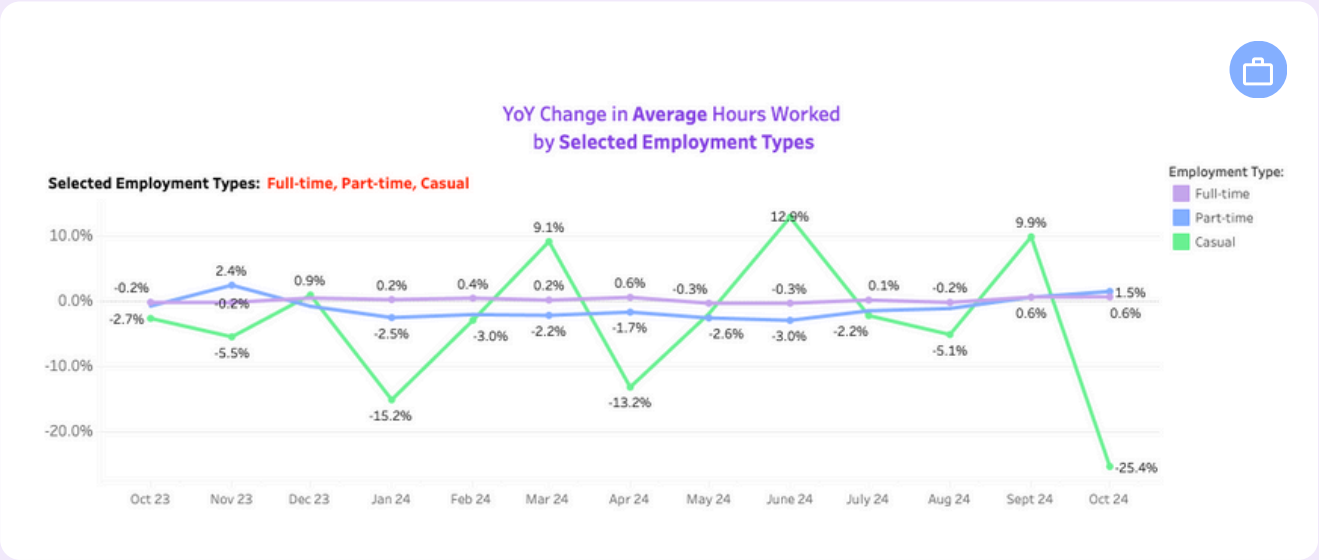
Why this metric matters

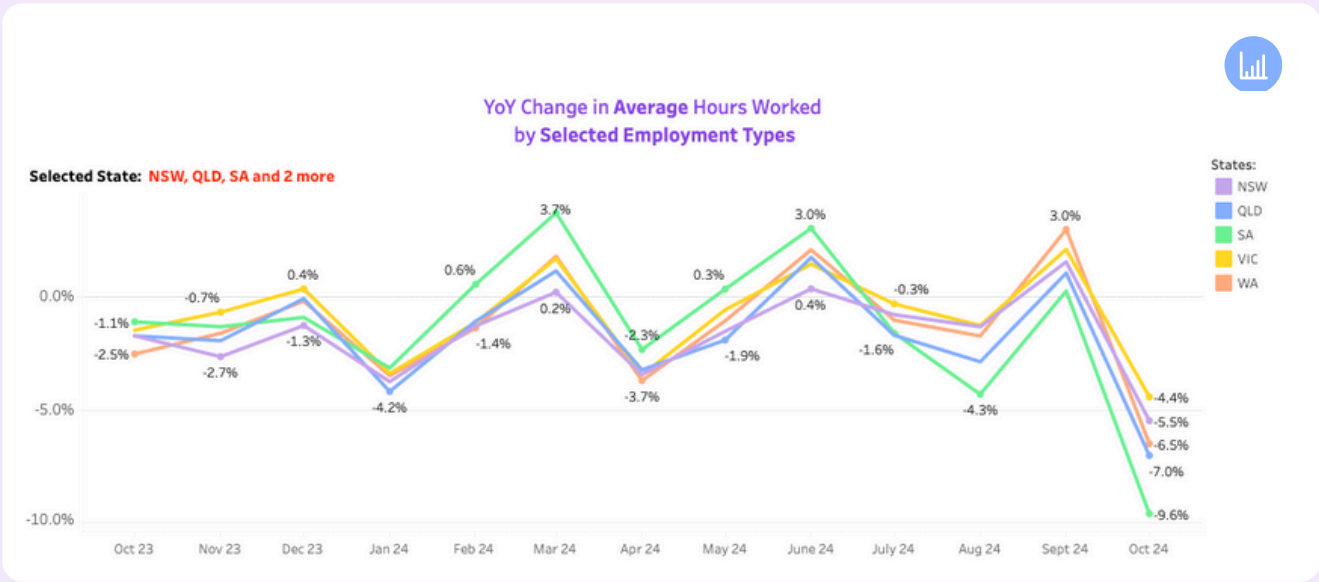
The average hours worked metric measures the raw average hours worked of both Employment Hero HR and Payroll users and the % adjusted change overtime for the preceding 12 months (please see methodology section for more details on the adjusted % change overtime). It is a key indicator of economic productivity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

Month-on-month, the adjusted percentage change in average hours worked dropped sharply by -5.1% compared to September 2024 and declined even further year-on-year by -6.0%, largely driven by casual employment.

In contrast, with a +0.1% MoM increase in median hourly wages, Australians in October 2024 are working fewer hours while earning a slightly higher median rate of pay.

Average Hours Worked YoY % Adjusted Growth (Breakdowns)





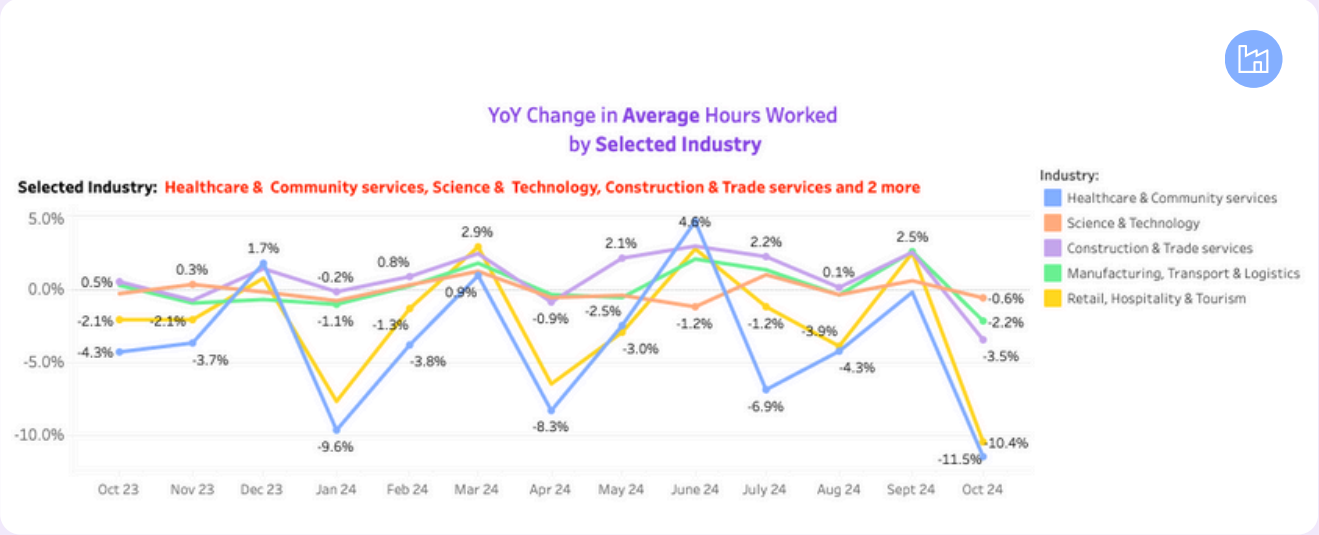
Employment Type Breakdown

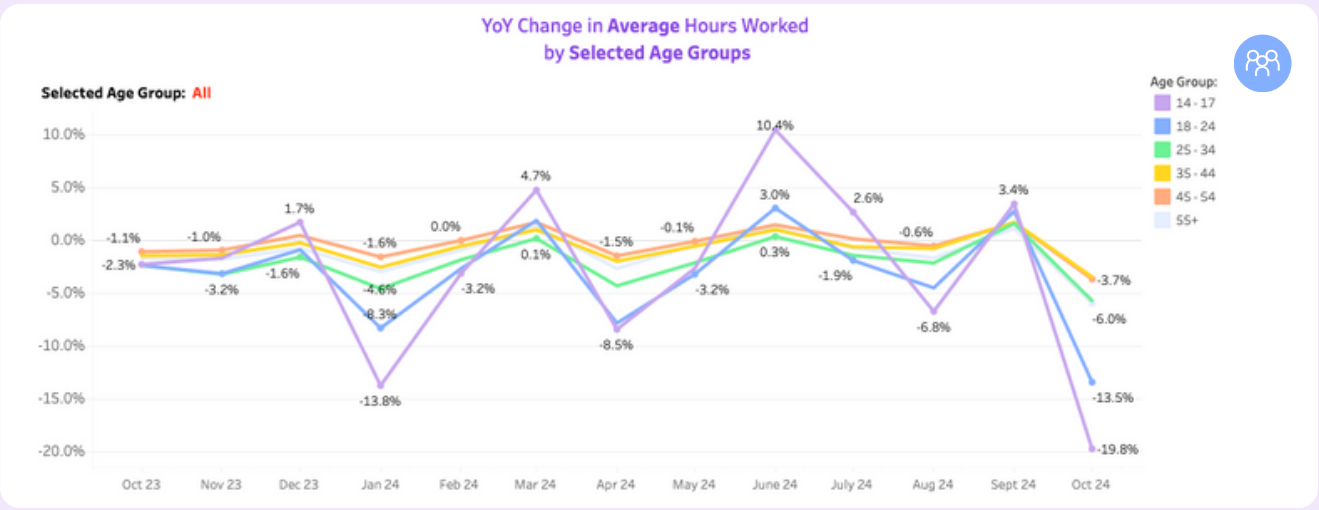
Full-time and Part-time workers saw minimal changes in their YoY % change in average hours worked, while Casual employees experienced a sharp drop from +9.9% in Sept to -25.4% in Oct 2024. With Casual employment growth rising to +10.7%, this may suggest employers are hiring more workers but allocating fewer hours per person potentially in earlier preparation for holiday period demand than the prior year.

State Breakdown

All states saw an significant YoY % decline in average hours worked, with SA seeing the largest decrease, down to -9.6% in Oct 2024. Across all states, this is largely driven by the decline in average hours worked across casual employees, as evidenced by states with a slightly lower proportion of casual workers remaining most resilient to the YoY decline.

Average Hours Worked YoY % Adjusted Growth (Breakdowns)





Industry Breakdown

Whilst all industries experienced a YoY % decline in average hours worked, those relying heavily on casual workers, including Healthcare & Community Services, as well as Retail, Hospitality & Tourism, saw the largest drops in Oct 2024, while industries with fewer casual workers, such as Science & Technology proved more resilient.

Age Breakdown

All age groups experienced a YoY decline in average hours worked, with younger workers in the 14-17 and 18-24 age brackets, who are more likely to hold casual jobs, seeing the sharpest drops. In October 2024, hours worked fell by -19.8% for 14-17-year-olds and by -13.5% for 18-24-year-olds.

Average Hours Worked (Breakdowns)

Job Type

% Change (Adj.)	Full-Time	Part-Time	Casual
Average Hours Worked	157.6	106.6	62.4
Monthly	0.4%	0.8%	-23.1%
Quarterly	0.6%	0.9%	-15.8%
Annual	0.6%	1.5%	-25.4%

State Breakdown

% Change (Adj.)	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Average Hours Worked	105.5	117.1	112.1	114.8	106.9	106.7	112.6	110.7
Monthly	-6.3%	-4.6%	-5.3%	-5.2%	-7.5%	-5.0%	-5.0%	-5.7%
Quarterly	-6.0%	-3.2%	-3.4%	-4.6%	-6.3%	-2.9%	-3.0%	-3.5%
Annual	-8.8%	-5.5%	-5.0%	-7.0%	-9.6%	-8.5%	-4.4%	-6.5%

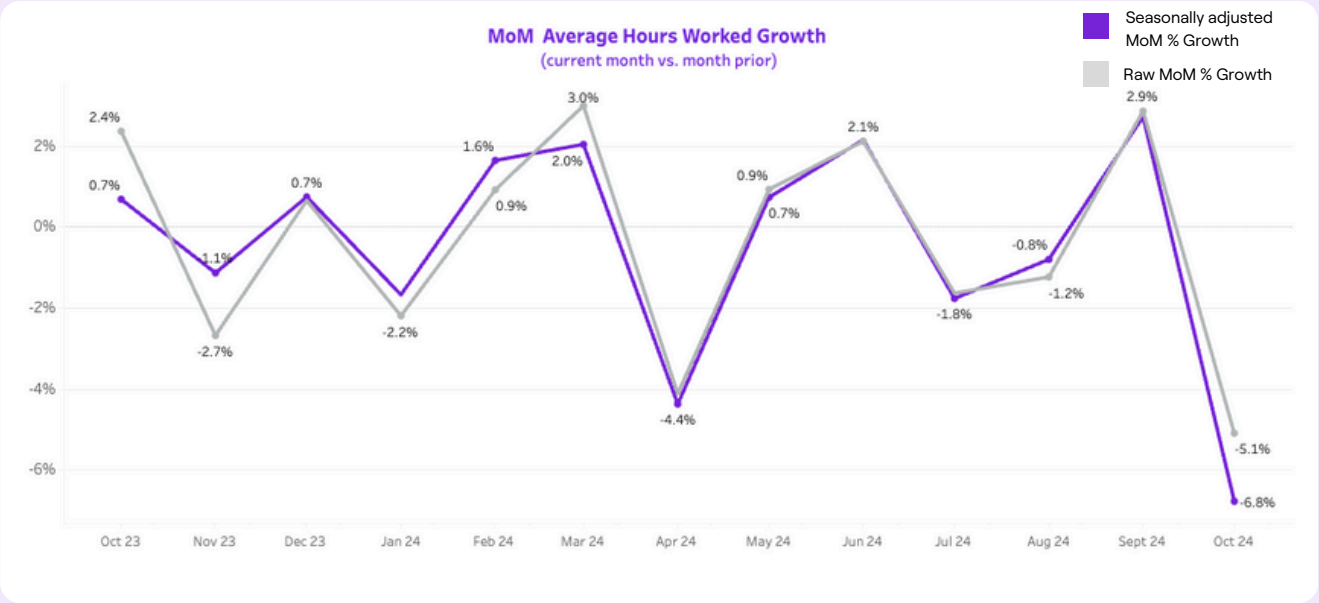
Industry Breakdown

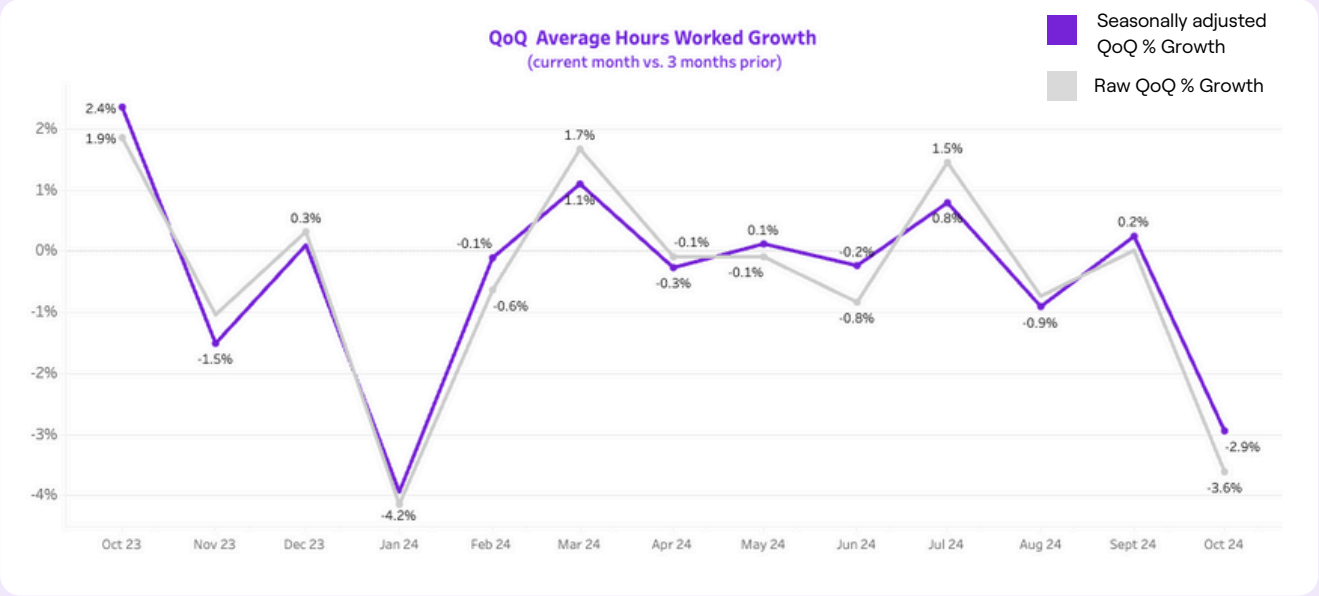
% Change (Adj.)	Construction & Trade Services	Healthcare & Community Services	Manufacturing, Transport & Logistics	Retail, Hospitality & Tourism	Science & Technology
Average Hours Worked	141.7	88.7	140.6	97.1	143.2
Monthly	-3.5%	-8.5%	-2.4%	-8.2%	-0.4%
Quarterly	-1.8%	-6.3%	-1.1%	-5.6%	0.2%
Annual	-3.5%	-11.5%	-2.2%	-10.4%	-0.6%

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	38.5	86.2	119.6	125.7	125.4	112.1
Monthly	-9.9%	-10.8%	-4.9%	-3.4%	-3.4%	-4.8%
Quarterly	-12.0%	-8.7%	-2.9%	-1.8%	-2.4%	-4.1%
Annual	-19.8%	-13.5%	-5.7%	-3.5%	-3.7%	-6.0%

Raw vs. Seasonally Adjusted Average Hours Worked





The seasonally adjusted MoM and QoQ growth rates for average hours worked in October 2024 show clear signs of contraction, with declines of -6.8% MoM and -2.9% QoQ, respectively. While the seasonally adjusted growth rates both MoM and QoQ remain relatively close to the declining rates in average hours, the adjusted values suggest an inverse impact of seasonal factors MoM vs QoQ.

These figures indicate that while recurring seasonal factors had a modest influence on QoQ trends, the sharp -6.8% MoM adjusted decline highlights a broader slowdown in workforce activity for October, as seen in both the raw and adjusted data. Separating potential seasonal effects underscores a significant drop in working hours, suggesting a combination of reduced demand for labor on a per employee basis.

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.