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AUSTRALIA

The Annual Jobs Report 2026

Last updated 23 November 2026

FOREWORD



Ben Thompson

Co-Founder and CEO, Employment Hero

Welcome to the second Employment Hero Annual Jobs Report. Employment Hero works with more than 350,000 small and medium businesses and more than 2.5 million employees around the world. Few organisations see where work, pay and jobs are heading with that much depth. This report is where we share what we see.

It hasn't been an easy year for anyone running a business. AI keeps moving fast, and I believe it will create kinds of work we can't name yet. I think small business owners feel the uncertainty whether they follow the markets or not.

Work is changing shape and I firmly believe people remain at the centre of that change. This report uncovers what's happening inside small and medium businesses and for the people who work in them, and suggests what's driving it.

I'm an optimist. I believe the trials of now will pass, but I'm also a realist. So we need to look at today's numbers and face them head on, so we can make better decisions for our businesses and for the people we work alongside every day.

I hope this year's report serves as a set of questions, and that we answer them together. What can we see? What are our options? And what will we do in 2027 and beyond? I'm hopeful about the answers. I believe small businesses will set the pace on AI, because they move quickly and they know their people. We're focused on putting small businesses in the most

competitive position we can, so they have every opportunity to create as many jobs as possible for the global small business workforce.

EXPERT COMMENTARY



Kim Seeling Smith, CSP, CVP, VMP

Independent Business Futurist & AI Strategist

Three disruptions are reshaping work at once. AI is changing how we do what we do. Converging global crises, from the cost of living and rising interest rates to geopolitical instability, are forcing businesses to become more agile. The rise of the empowered workforce (a critical skills shortage colliding with a more discerning employee base) hasn't gone anywhere. The second disruption is driving today's caution. The other two are quietly humming beneath it.

This report gives a rare look inside Australia's small and medium businesses, a part of the workforce that national figures tend to blur. What it shows is a workforce holding on tight. Two in three employees surveyed now put job security ahead of ambition. They say it would take a 12 per cent pay rise to move, against the 3.5 per cent median rise they actually received. People are weighing the cost of staying against the risk of leaving, and most are choosing to stay.

To me, this is a microcycle playing out inside a bigger macrocycle. The caution is real, but it is a response to today's pressures, not a permanent change in what people want from work. Small businesses feel the squeeze first and respond quickest, which makes this data an early signal for the wider market. Holding on is not the same as being engaged, and when the cycle turns, people will move again. So the challenge for businesses is to ride out this cycle with their sights firmly on the next.

Key findings

- 66% of employees surveyed in 2026 say they prioritise job security over ambition because of the cost of living, up from 59% in 2025.[3][4]
- 57% are confident they could find a new job within 3 months, down from 66%. Only 43% feel very settled in their job, down from 53%.[3][4]
- Employees say they would need a median pay rise of 12% to change jobs, 3.4 times the median rise they received.[6][7]
- Median wage growth on the Employment Hero platform eased from a 5.5% year-on-year peak in December 2025 to 4.4% in October 2026.[1]



Lisa Cowie
Global Insight Lead, Employment Hero

Employment Hero analysed 13 months of platform data, from October 2025 to October 2026, covering employment and wages at small and medium businesses (SMBs). This data is paired with a survey of employed Australians conducted by Pureprofile for Employment Hero in October 2026. Results are compared with a 2025 survey and a matched 2026 survey of US employees, and checked against Australian Bureau of Statistics (ABS) employment data.[1][3]

The concept of job hugging in Australia has tightened over the past year. This report found employees are prioritising job security over ambition because of the cost of living. The standout sentiment is that people are feeling both less secure and less able to move.[3]

The price of moving is well above what staying pays. Employees surveyed say they would need a median pay rise of 12 per cent to change jobs. That is 3.4 times the median rise they actually received. Of those who received a pay rise in the last twelve months, 52 per cent say it fell behind the cost of living.[6][7]

Employment Hero platform data shows the backdrop. Median wage growth (year on year) eased from a peak of 5.5 per cent in December 2025 to 4.4 per cent in October 2026. Casual employment growth has also slowed sharply, to an average of 0.8 per cent quarter-on-

quarter across August to October 2026, down from 3.1 per cent over the same months in 2025.[1][2]

Work in Australia: what the data shows

Employees continue to hold onto their roles

Fewer employees feel settled. In 2025, the number of people scoring themselves between 8 to 10 out of 10 on feeling settled in their job was 53 per cent; by 2026, that figure dropped to 43 per cent. The share at the other end of the scale, 0 to 4, rose from 13 per cent to 18 per cent, and the average score fell from 7.25 to 6.72.

Confidence in the market has fallen with it. 57 per cent of employees surveyed are confident they could get a new job within 3 months, down from 66 per cent. The share who are not at all confident rose from 12 per cent to 15 per cent. Those saying things are getting better for employees fell from 35 per cent to 27 per cent. The share saying things are getting worse is broadly unchanged.[3][4]

Employees surveyed also feel less empowered by their employer. Agreement that their employer provides good training fell from 62 per cent to 56 per cent, and agreement that their skills are valuable in an evolving job market fell from 74 per cent to 70 per cent. Confidence in adapting to new technology held at 72 per cent.[4]

Variety is coming from within, with employees more likely to make a lateral move at their current company rather than to another firm. 18 per cent of employees surveyed changed roles within their company in the past 12 months, up from 13 per cent. The share starting a new job at a new company was broadly unchanged at 16 per cent. Among those who changed role, 53 per cent say their effort has increased, against 37 per cent of all employees surveyed.[3]

67 per cent of employees surveyed say they have stayed in a job they wanted to leave because changing felt too risky or difficult. 31 per cent are still in that job. Asked why they are staying, 40 per cent say their job is not perfect but good enough, 31 per cent point to benefits, perks or working arrangements, and 26 per cent say they are genuinely fulfilled and challenged. 24 per cent say the job market is too tough to navigate.[3]

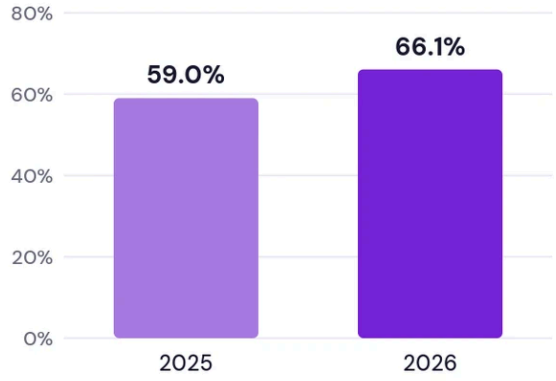
Long service leave adds a uniquely Australian hold. 10 per cent of employees surveyed say losing progress towards long service leave is a key reason they stayed, and a further 35 per cent say it has been a factor. The base is employees for whom long service leave applies.[9]

66% of employees surveyed put job security over ambition because of the cost of living, up from 59% in 2025.[3]

Job security and job confidence, 2026 vs. 2025

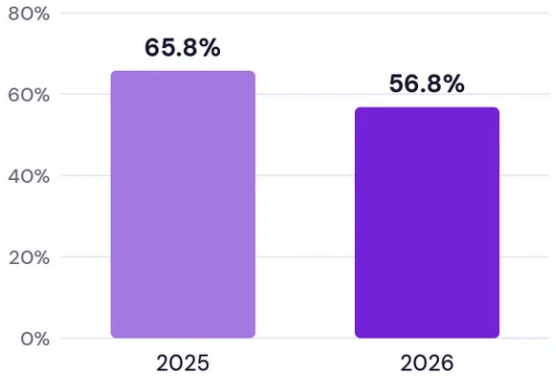
Questions: agreement with "I am seeking job security over ambition due to cost-of-living", and "How confident, if at all, are you that the job market will allow you to get another job within 3 months if you lost your current one?"

Prioritising job security over ambition (due to cost of living)



Change: +7.0 points (significant, p < 0.05)

Confident of getting a new job within 3 months (very or fairly)



Change: -9.0 points (significant, p < 0.001)

Source: Employment Hero survey with Pureprofile, October 2026 (n=1,515); YouGov, August 2025 (n=1,011)
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Source: Employment Hero Employment Survey with Pureprofile, October 2026 (n = 1,515); YouGov survey, August 2025 (n = 1,011, matched to the 2026 profile). 2025 figures are weighted to the 2026 sample profile on age, gender, region and employment status; solo operators excluded. Bases exclude "don't know". Survey questions: "To what extent do you agree or disagree with each of the following statements about your work preferences? [I am seeking job security over ambition due to cost-of-living]"; and "How confident, if at all, are you that the job market will allow you to get another job within 3 months if you lost your current one?" Changes tested with two-proportion z-tests. See notes 3 and 4.

Hiring is slowing and pay is easing beneath the surface

Employment Hero data shows headcount is still growing, but the pace has slowed since early 2026. Monthly headcount growth averaged 0.4 per cent in the quarter to October 2026, compared to an average of 1.4 per cent in the same quarter of 2025. The sharpest change is in casual work. Casual headcount grew by an average of 0.8 per cent quarter-on-quarter across August to October 2026, down from 3.1 per cent over the same months in 2025, whilst full-time growth has held steady and is now just ahead in the latest reporting month of October.[2]

New South Wales, Victoria and Queensland led growth among the larger states in late 2025. The slowdown has been steady since then. Monthly employment growth in New South Wales has been negative in four of the last six months, Victoria averaged under 0.2% a month from April and turned negative in October, and Queensland saw a more recent slowdown with negative growth in two of the last three months.[2]

The timing points to pressure on SMBs. Casual hiring slowed from April, after the March fuel shock. The October contraction followed the September RBA rate rise and also came in the aftermath of the Payday Super transition.[13] The data is consistent with a cost and cash-flow squeeze on SMBs, though it cannot separate the parts.

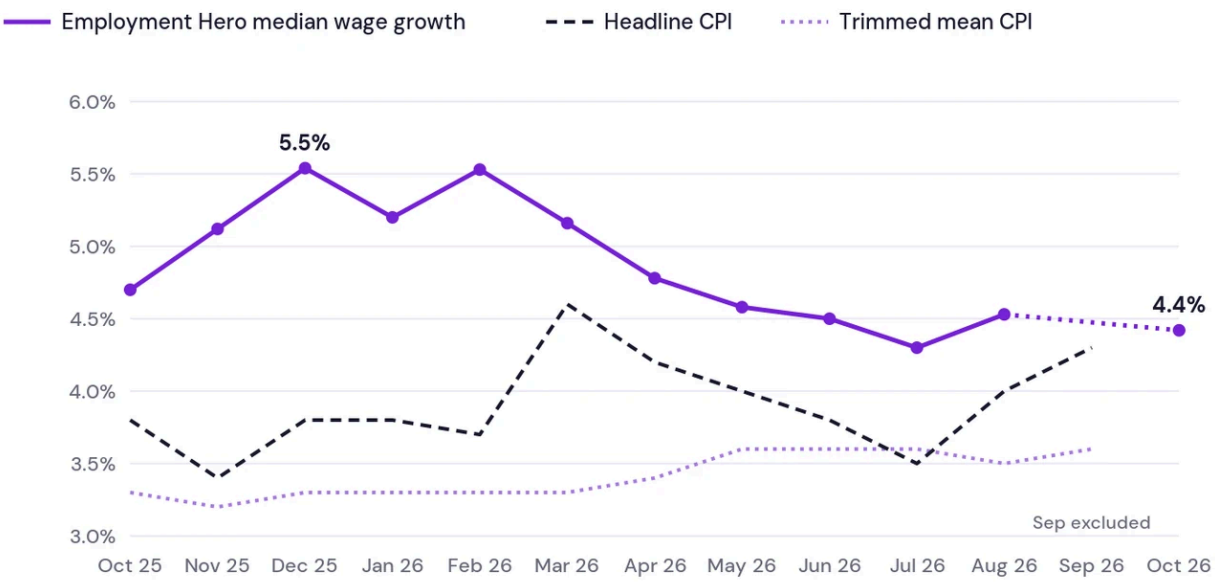
Pay is easing too. Employment Hero data shows median wage growth (year on year) peaked at 5.5 per cent in December 2025 and February 2026. It came in at 4.4 per cent in October 2026, against 4.7 per cent a year earlier. The slowdown in wage growth sits in Queensland, South Australia and Western Australia.[1]

Real gains are narrowing. Headline inflation rose to 4.3 per cent in the 12 months to September 2026, according to the ABS Consumer Price Index, and trimmed mean inflation drifted up from 3.3 per cent to 3.6 per cent over the same period. The gap between median wage growth, as reported by Employment Hero data, and trimmed mean inflation narrowed from about 2.2 points in February 2026 to about 0.8 points in October 2026.[11][12]

Official data shows the same direction at a slower pace. The ABS WPI recorded 3.2 per cent growth in the year to the June quarter 2026, down from 3.4 per cent and the weakest since late 2024. The ABS also reports that 79 per cent of jobs recorded annualised wage growth below 4 per cent, up from 75 per cent a year earlier. Employment Hero's data shows the median has fallen about five times as fast as the WPI, which reflects how quickly SMBs respond to changing conditions.[12]

Wage growth and inflation are increasingly diverging

Employment Hero median hourly pay growth (cohort-adjusted) against ABS headline and trimmed mean CPI, year on year.



Source: Employment Hero platform data; ABS Consumer Price Index
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Source: Employment Hero platform data (note 1); ABS Consumer Price Index, monthly headline and trimmed mean series (note 12). Employment Hero figures are cohort-adjusted median hourly pay growth, year on year. The August trimmed mean is the revised figure. The dotted segment between August and October is an interpolation across the excluded September reading, not a data point. October 2026 CPI is due 25 November 2026.

Moving now costs more than staying pays

78 per cent of employees surveyed received a pay rise in the past 12 months, with a median bump of 3.5 per cent.[6] Of those who got a rise, 52 per cent say it fell behind the cost of living. 22 per cent did not get a rise at all.

The bar for moving is high. Asked what it would take to move, employees surveyed put the median pay rise they would need at 12 per cent,[7] not counting the 11 per cent who say no increase would be enough. That is 3.4 times the median rise they received, and 63 per cent say they would need 10 per cent or more. These are hypothetical answers. People often name a figure above what they would accept in practice, using their current pay as the reference point. So the number shows how much employees feel a move would need to be worth, rather than a price employers would need to meet.

Several things explain why moving feels hard. Staying has real value for many employees: asked why they are staying, 40 per cent say their job is not perfect but good enough, and 26 per cent say they are fulfilled and challenged. Long service leave is a factor for some. Among employees for whom it applies, 10 per cent say it is a key reason they stayed and a further 35 per cent say it has been a factor.[9] Uncertainty also raises the cost of moving. 67 per cent of employees surveyed have stayed in a job they

wanted to leave because changing felt too risky or difficult, and only 57 per cent feel confident they could find a new job within three months.

12% Employees surveyed want a 12% pay rise to move jobs, 3.4 times the median rise they received.[7]

Loyalty is not seen as paying off. 36 per cent of employees surveyed say employees who stay with one employer end up worse off financially, against 24 per cent who say better off. Among employees surveyed aged 35 and over, 59 per cent say they would certainly or possibly be earning more had they changed employers more often. The median perceived gap in that group is AUD 15,000–19,999 a year.[8] Staying can still be the right choice. It becomes a problem when people stay by default because leaving feels out of reach, and employers that offer progression and good training can make staying a real choice.

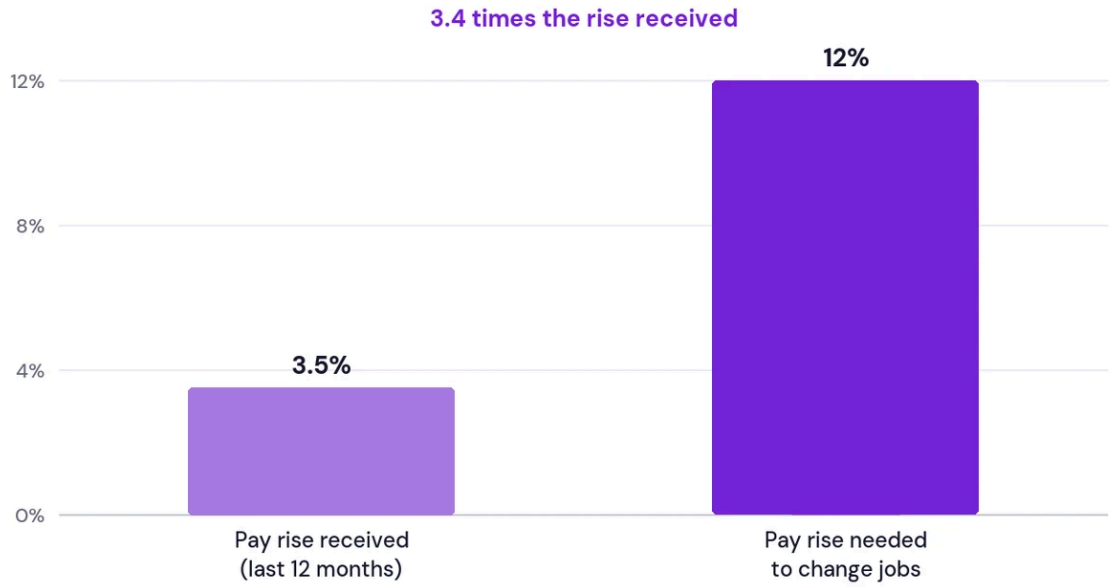
A $100,000 a year income no longer feels high to most. Only 13 per cent of employees surveyed consider AUD$100,000 a genuinely high income, rising to 23 per cent among 18 to 24-year-olds. 41 per cent say it is a solid middle-class income, and 46 per cent say it is just enough to get by or not enough to live comfortably.

Costs keep the pressure on. Employees surveyed could select more than one cost pressure: 51 per cent cite food and groceries, 50 per cent rent or mortgage, 43 per cent energy bills and 36 per cent transport and fuel. When asked about what they struggle to afford, saving money each month is the most common, cited by 40 per cent.

Feeling stuck is linked to skills worry. Employees surveyed still in a job they want to leave are 2.5 times as likely to worry their skills are becoming outdated as those who have never felt trapped: 50 per cent against 20 per cent. 48 per cent of that group say their employer provides good training, against 62 per cent among all employees surveyed.

Employees would need a 12% pay rise to move, 3.4 times the median rise received

Median pay rise received in the last 12 months, against the median pay rise employees say they would need to change jobs (hypothetical question).



Source: Employment Hero survey with Pureprofile, October 2026 (n=1,515)
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Note: Survey with Pureprofile, October 2026 (n=1,515). Pay rise received: midpoint of the median band (3–4%); base: employees who received a pay rise in the last 12 months (n=1,147). Pay rise needed: midpoint of the median band (10–14%); base n=1,349, excluding the 11% who say no increase would be enough. Hypothetical question (notes 6 and 7).

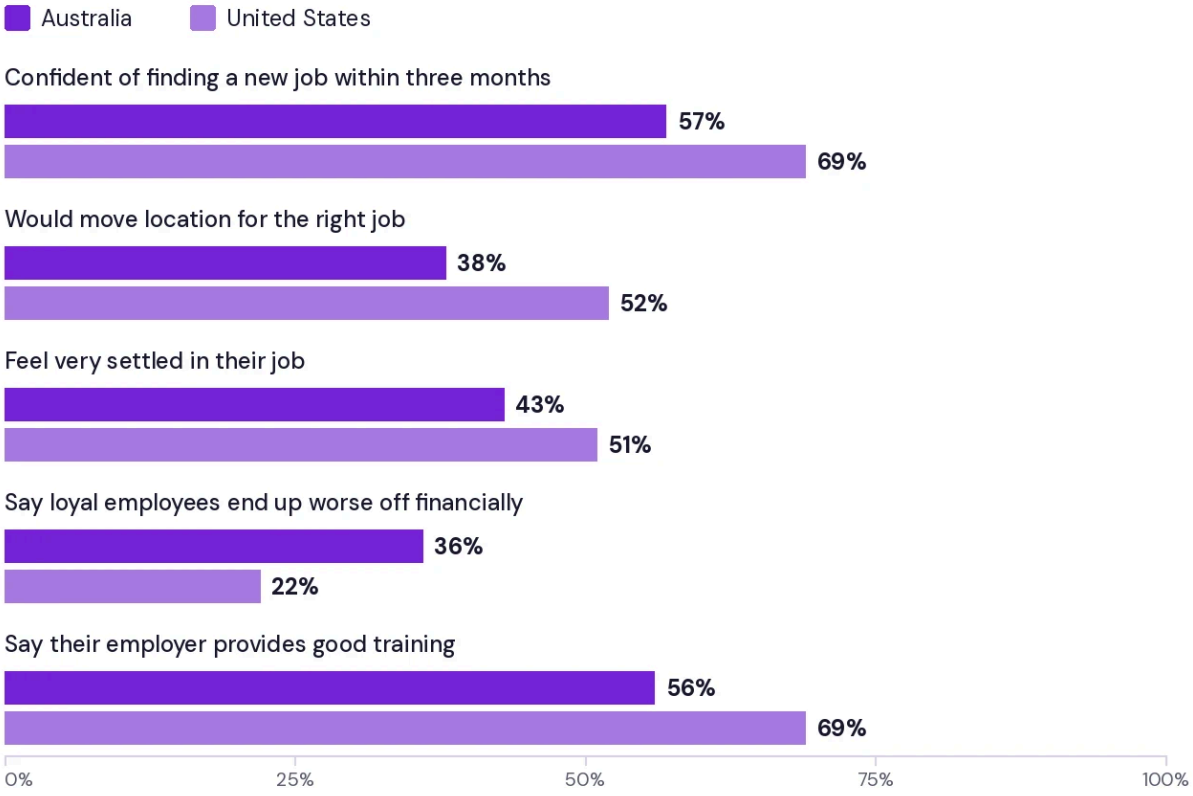
Australian employees feel more stuck than Americans

Australian employees surveyed are less confident and more sceptical of loyalty than their US counterparts. The Australian results come from a Pureprofile survey commissioned by Employment Hero, and the US comparison comes from a matched October 2026 survey conducted by Focaldata for Employment Hero. [5]

57 per cent of Australian employees surveyed are confident of finding a new job within 3 months, against 69 per cent[5] of US employees surveyed. Only 38 per cent would move location for the right job, against 52 per cent of US employees surveyed. 43 per cent feel very settled in their job, against 51 per cent of US employees surveyed.

How Australian employees compare with US employees

Share of employees surveyed in Australia and the United States who agree with each statement, October 2026.



Source: Employment Hero surveys with Pureprofile (Australia, n=1,515) and Focaldata (US, n=2,015), October 2026
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Source: Employment Hero Employment Survey with Pureprofile, October 2026 (n = 1,515); Employment Hero US survey with Focaldata, October 2026 (n = 2,015). US figures are weighted to the Australian sample profile on age, gender, employment status and organisation size. Confidence is the share very or fairly confident of finding a new job within three months; very settled is a score of 8 to 10 on a 0 to 10 scale. Excludes "don't know" where applicable. See notes 3 and 5.

The view of loyalty is close to reversed. Of Australian employees surveyed, 36 per cent say loyal employees end up worse off financially, against 22 per cent of US employees surveyed. Only 24 per cent say they end up better off, against 44 per cent of US employees surveyed. Training is another gap: 56 per cent of Australian employees surveyed say their employer provides good training, against 69 per cent of US employees surveyed.[5]

Similar concerns show up in the US too. Among Australian employees surveyed, 66 per cent[3] say they prioritise job security over ambition because of the cost of living, against 68 per cent of US employees surveyed. Trust in job ads is similarly low across the two markets. Among Australian employees surveyed who have looked at job ads in the past two years, 44 per cent suspect they have seen a ghost job, against 42 per cent of US employees surveyed.[10]



Source: Employment Hero Employment Survey with Pureprofile, October 2026 (n = 1,515); Employment Hero US survey with Focaldata, October 2026. Excludes "don't know". US figures are weighted to the Australian sample profile on age, gender, employment status and organisation size. Survey question: "Do you think employees who stay loyal to a single employer tend to be better or worse off financially than those who change jobs regularly?" Figures may not sum to 100% due to rounding; bars are scaled to each row total. See note 5.

Hiring trust is low, and AI screening divides employees

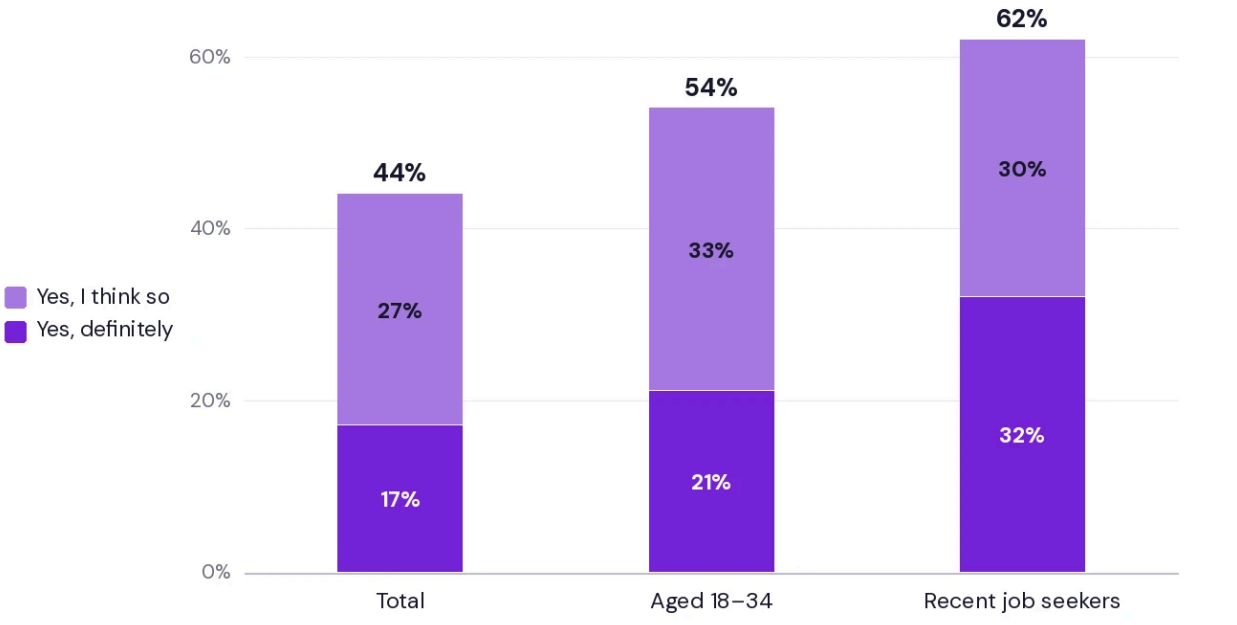
Trust is an economic force multiplier. And yet, 44 per cent of employees surveyed who have looked at job ads in the past two years suspect they have seen a ghost job, a listing for a role that is not really open. Among 18 to 34-year-olds, it's even higher (54 per cent).[10] Trust in job sites is partial: 54 per cent completely or mostly trust job descriptions to be accurate, and 50 per cent trust salary information.[3]

Scepticism about AI in hiring may partly reflect how new it is. For many employees, AI in hiring is still unfamiliar, and unfamiliar processes can feel less trustworthy. Employers can respond by being open about where AI is used and how decisions are made. The survey suggests employees accept AI most where it helps match them to roles (34 per cent) and least where it analyses language, tone or facial expressions (13 per cent).[3]

Job seekers are now armed with AI. 53 per cent of employees surveyed say it is acceptable for applicants to use AI to write applications when employers use AI to assess them, and 28 per cent say it is unacceptable. For employers, the question is whether candidates who doubt the process are kept out of the candidate pool.[3]

Share who agree they have seen a ghost job in the last two years

Question: "Do you suspect you have encountered a ghost job?" Ghost jobs are adverts posted without an active hiring process behind them.



Source: Employment Hero survey with Pureprofile, October 2026 (n=1,304 who looked at job ads)
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Note: Survey with Pureprofile, October 2026, n=1,515. Excludes "don't know". Base: employed adults who have looked at job ads in the past two years (n=1,304 total; n=403 aged 18–34; n=241 recent job seekers, who started a new job in the last 12 months). Recent job seekers and 18–34s overlap. Survey question: "Some job adverts are posted without an active hiring process behind them — sometimes called 'ghost jobs'. This can include roles already filled, indefinitely paused, or posted with no real intention to hire. Do you suspect you have encountered a ghost job?" (notes 3 and 10).

LOOK FORWARD

Australia Forecast

Over the next 12 months, pay growth for SMBs is likely to keep easing rather than drop sharply. Employment Hero data shows median wage growth on the platform at 4.4 per cent in October 2026, down from a peak of 5.5 per cent. Businesses are still hiring, but more slowly. With fewer employees moving, there is less pressure on employers to use pay to compete for staff. With trimmed mean inflation at 3.6 per cent, the real gain for employees is likely to keep narrowing.[1][12]

Employees are likely to stay put for longer. Job hugging tightened over the past year on most measures in the survey. Employees state a hypothetical 12 per cent pay rise

is needed to change jobs, compared to the 3.5 per cent median rise they typically received in the last 12 months, as found in our survey. Few will move for money while that gap stays this wide. The carrot of long service leave will keep 10 per cent of employees, for whom this benefit applies, firmly in place.[6][7][9]

For businesses, this year's risk is low turnover hiding a disengaged workforce. The levers employers have control over are internal: progression, sideways moves, training and recognition. Internal movement is already where the activity is. Hiring is likely to stay cautious, especially in casual roles and on the east coast. Casual work is where SMBs have already pulled back, and the Payday Super transition adds a new cash-flow demand to payroll.[13]

Businesses that do hire will meet a sceptical set of candidates, but those candidates are likely to respond well to clear, genuine job ads and a visible human in the process.

The year ahead will test how well businesses know their people. A cautious market can make a quiet team look like a settled one, and the difference only shows when conditions change. The businesses that come out ahead are likely to be those that use this period to make progression visible, invest in skills and earn trust in how they hire, so that when the market turns, their best people have reasons to stay and the right candidates have reasons to join.

FOOTNOTES

Methodology, notes and definitions

First party data. Employment and wage figures come from Employment Hero platform data, covering 24,500+ organisations and 1,461,000+ employees. Employment growth is the average change in employees per organisation, measured across organisations present in both periods. Month-on-month and quarter-on-quarter figures are shown where stated.

Wage growth is the year-on-year change in the median hourly rate, compared like-for-like across the same organisations (cohort-adjusted). Raw changes in the median rate are not used for growth, as they can shift with sample mix. We report medians rather than means for wages.

Figures are only reported where at least 30 organisations are included. Data runs from October 2025 to October 2026. These results describe organisations on the Employment Hero platform, not the whole Australian labour market.

Third party data. Consumer Price Index (CPI) and Wage Price Index (WPI) data from the Australian Bureau of Statistics. Cash rate data from the Reserve Bank of Australia (RBA).

Survey data. The custom survey was commissioned by Employment Hero and conducted by Pureprofile, fielded 16 to 24 October 2026. The sample is 1,515 employed adults.[14] Respondents were in paid employment, full-time or part-time, and the sample excludes business owners and self-employed people by design, because most questions concern experiences within an employing organisation. Quotas on age, gender and region were applied during recruitment to match the Australian employed population. Results are unweighted.

Income is personal, not household, and is collected in bands. Medians are interpolated within the band where they fall, assuming responses are spread evenly across it. Comfortable income is the income respondents say they need to feel financially comfortable ("not rich, not stressed, just comfortable"). The comfortable income gap excludes respondents who already feel comfortable. In person-level shortfall measures, those respondents are counted as not short.

Comparisons to the US use a survey fielded 13 to 20 October 2026 (n=2,015), with Focaldata, using exactly the same screening criteria and quotas as Australia. US data was weighted to the Australian profile on age, gender, employment status and organisation size.

Year-on-year comparisons use a YouGov Australia survey fielded in August 2025 (n=1,011). Solo operators were removed (n=97), and the 2025 sample was weighted to the 2026 AU profile on age, gender, employment and region. Questions were matched on wording and answer options.

Significance uses effective sample size and is tested with two-sided two-proportion z-tests, with significance at $p<0.05$, applying to percentages and not medians or means.

1. Platform wage growth. Cohort-adjusted. Year-on-year change in the median hourly pay rate for employees on the Employment Hero platform. Only organisations present in both periods are included, so organisations joining or leaving do not affect the comparison. Growth is the current-period median divided by the prior-period median, minus one. September 2026 is excluded as a sample artefact.
2. Platform employment growth. Cohort-adjusted. The change in average headcount per organisation on the Employment Hero platform, reported month on month or quarter on quarter. Platform figures describe SMBs on the platform. They are not official statistics.
3. Survey. Employment Hero commissioned Pureprofile to survey 1,515 employed adults aged 18 and over in Australia, working full-time or part-time in organisations with two or more employees. Solo operators were excluded. Fieldwork ran from 16 to 24 October 2026. The 2026 sample is unweighted and serves as the reference profile.
4. Year-on-year comparisons. The comparison survey is a YouGov survey commissioned by Employment Hero, fielded in August 2025 with employed adults, using the same screening. Solo operators were removed. The 2025 sample is weighted to the 2026 profile on age, gender, region and employment

status (effective sample size 713). Differences are tested with two-sided two-proportion z-tests and described as significant at $p < 0.05$.

5. US comparisons. An October 2026 survey of 2,015 US employees commissioned by Employment Hero and conducted by Focaldata, weighted to the Australian 2026 profile without region, as regions do not align across countries.
6. Median pay rise. Among employees surveyed who received a pay rise in the past 12 months. The median is the midpoint of the band it falls in. Pay questions exclude “don’t know” and “prefer not to say”.
7. Pay rise needed to change jobs. The median, interpolated within the 10 to 14 per cent band. The base is 1,349 employees surveyed and excludes the 11 per cent who say no increase would be enough.
8. Perceived earnings gap. The median band among employees surveyed aged 35 and over who say they would be earning more, either certainly or possibly, had they changed employers more often.
9. Long service leave. The base is employees surveyed for whom long service leave applies. 12 per cent said it does not apply to them.
10. Ghost jobs. The base is employees surveyed who have looked at job ads in the past two years.
11. Real wage gap. Employment Hero median wage growth minus trimmed mean CPI.
12. Official statistics. Headline and trimmed mean inflation are from the Australian Bureau of Statistics (ABS) Consumer Price Index, monthly releases, to September 2026. Wage growth is from the ABS Wage Price Index, year to the June quarter 2026.
13. Payday Super. In force since 1 July 2026, requires employers to pay super into employees’ funds within seven business days of each payday, rather than quarterly. The total super payable is unchanged, but the timing brings cash-flow demands forward.
14. Employees. In this report, “employees” means the people surveyed: adults in paid employment, working full-time or part-time for an employer. Business owners, self-employed people, solo operators and freelancers were screened out of the survey, so the views reported are those of employed people.