

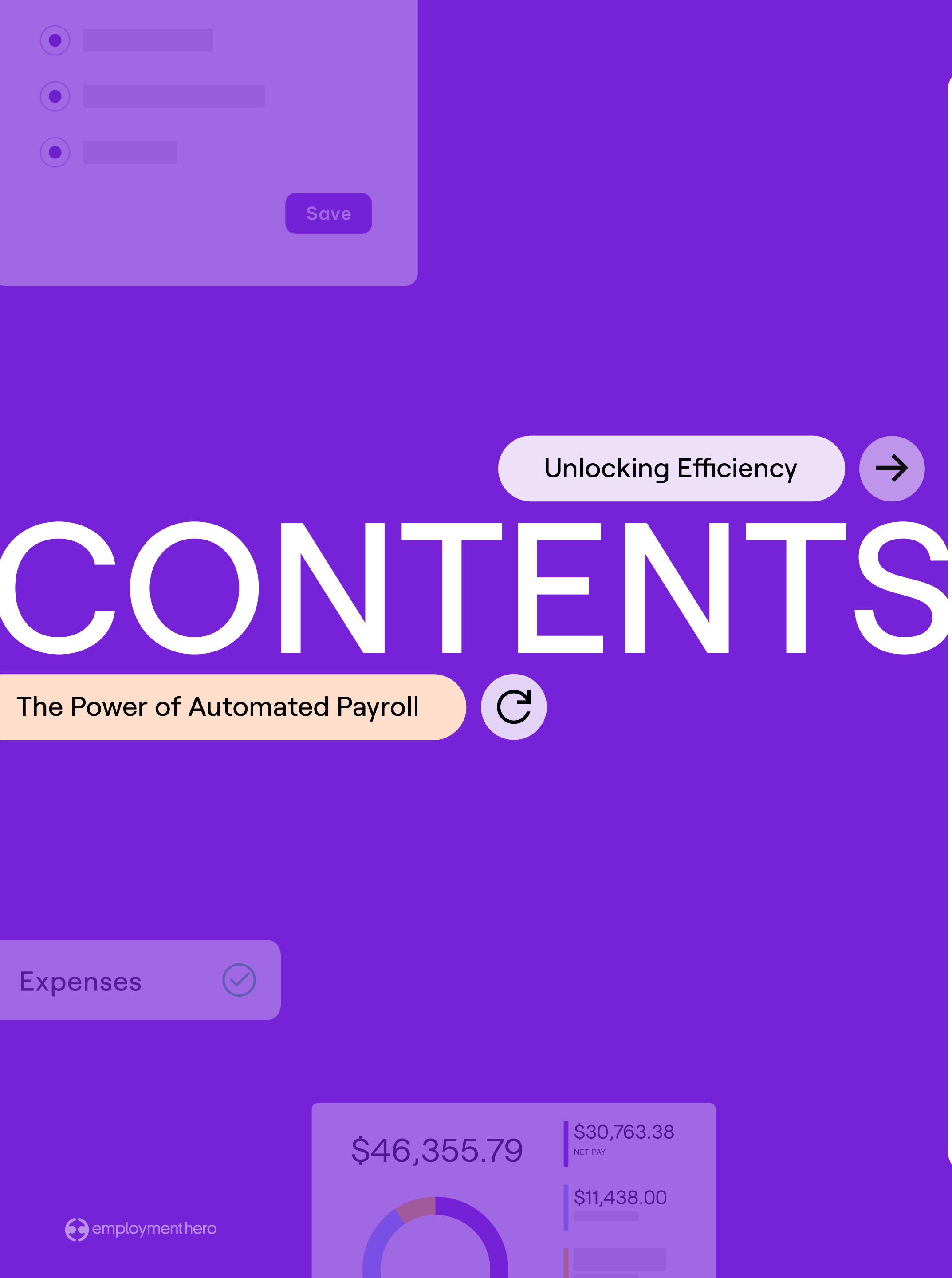
 Review Data

THE POWER OF AUTOMATED PAYROLL

Approve Pay Run

Send Payslips

 28 Employees Paid



Introduction	3
Key Findings	4
01: The current landscape	5
02: AI and automation in the payroll industry	9
03: Challenges and concerns	17
04: Identifying best practices	24
Conclusions	32
Methodology and sample profile	33
Streamline your payroll operations with Employment Hero	35

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INTRODUCTION

Have you ever thought about what processing payroll might look like in 5, 10, 20 years time?

It's an interesting thought, and one that's actually transforming right now. Advancements in technology and artificial intelligence (AI) are altering the way software vendors are bringing payroll products to market. It's changing end-user expectations and influencing how third parties, such as accountants and outsourced payroll providers, offer their services.

You've read and heard it all before – this technology is here to help us move into more advisory and strategic roles, but a lot of payroll providers aren't there just yet. While many payroll providers have automated a portion of their payroll processes, more can be done to unlock new efficiencies and drive even greater growth.

However, the increasing automation of payroll processes raises critical questions about the future of the industry and the types of products that will be in demand. It also prompts us to consider who will be using payroll software in this new landscape. How will AI and automation affect payroll, and the roles of those who incorporate payroll services into their offering? And what is the overall sentiment towards the use of automation tools for payroll services in Australia and New Zealand?

With this shift in the payroll industry currently happening, we're diving into the various facets of automation within payroll management, exploring its potential to change traditional practices and transform the way payroll is processed.

We know you have plenty of questions waiting to be answered, which is why we set out to further understand the current landscape and sentiments of payroll providers. We surveyed more than 1000 payroll professionals across Australia and New Zealand in February 2024, and our findings revealed that there is a clear appetite for automation and AI in payroll. However, it emphasises the need to educate payroll professionals and businesses on the tools available to them, and how to maximise the application and potential benefits of these tools.

The prevailing sentiment among payroll providers is similar across Australia and New Zealand, with the majority (**81%** in Australia and **73%** in New Zealand) believing that AI and automation use will increase in their organisation over the next 12 months. The thought of being able to cut down payroll processing time through AI and automation is also appealing to them.

We hope the insights presented in this report serve as reassurance or guidance in helping you to streamline your payroll operations.



The Team at Employment Hero

P.S. We just want to establish now that when we refer to payroll professionals we're referring to accountants, bookkeepers and managed payroll providers.

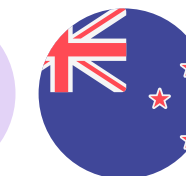
KEY FINDINGS

AUSTRALIA



- **73%** of Australian pay runs take longer than a day, with **95%** taking up to 3 days to complete
- **89%** of payroll professionals would like to cut down payroll processing times with AI and automation
- **81%** of respondents believe AI and automation use will increase in their organisation over the next 12 months

NEW ZEALAND



- A staggering **84%** of New Zealand pay runs take longer than a day, with **92%** taking up to 3 days to complete
- **79%** of payroll professionals would like to cut down payroll processing times with AI and automation
- **73%** of respondents believe AI and automation use will increase in their organisation over the next 12 months



THE CURRENT LANDSCAPE

Throughout our research, the survey respondents provided a snapshot of current perceptions on the current state of payroll management.



Despite the increase in technological advancements, certain trends and attitudes appear to remain unchanged. However, for others, the writing's on the wall – payroll professionals are tired of the manual, time-consuming nature of processing pay runs and the admin that comes with it.

Put simply, there's a clear desire to automate processes with the help of AI, not only to help speed up pay runs and reduce manual admin, but to also improve professional development.

Payroll processing is a time-consuming task

It's no secret that payroll is a complex and time-consuming process for businesses. From changing legislation and repetitive manual tasks, to the back and forth on employee hours, expenses and leave management, there's a lot to manage for just a single pay run.

So much so that **73%** of Australian pay runs take longer than one day, with **95%** taking up to 3 days to complete.

If we take a look at New Zealand, it takes even longer to process a pay run. A staggering **84%** of New Zealand pay runs take longer than a day, with **92%** taking up to 3 days to complete.

Not only does the time-consuming nature of payroll become a tedious task, but it also takes time away from working on more strategic work.

”

Payroll can take an unexpectedly long time to process due to various factors such as incomplete information, a high turnover of staff, catering for different shifts or other anomalies. Adopting an end-to-end payroll solution that automates the collection of information, and the processing of rosters and timesheets, could significantly reduce payroll processing time.

– Heather Smith, Chartered Accountant

There's payroll pain around current manual processes

Australian and New Zealand payroll professionals are becoming increasingly more frustrated with the current manual processes they endure every pay run.



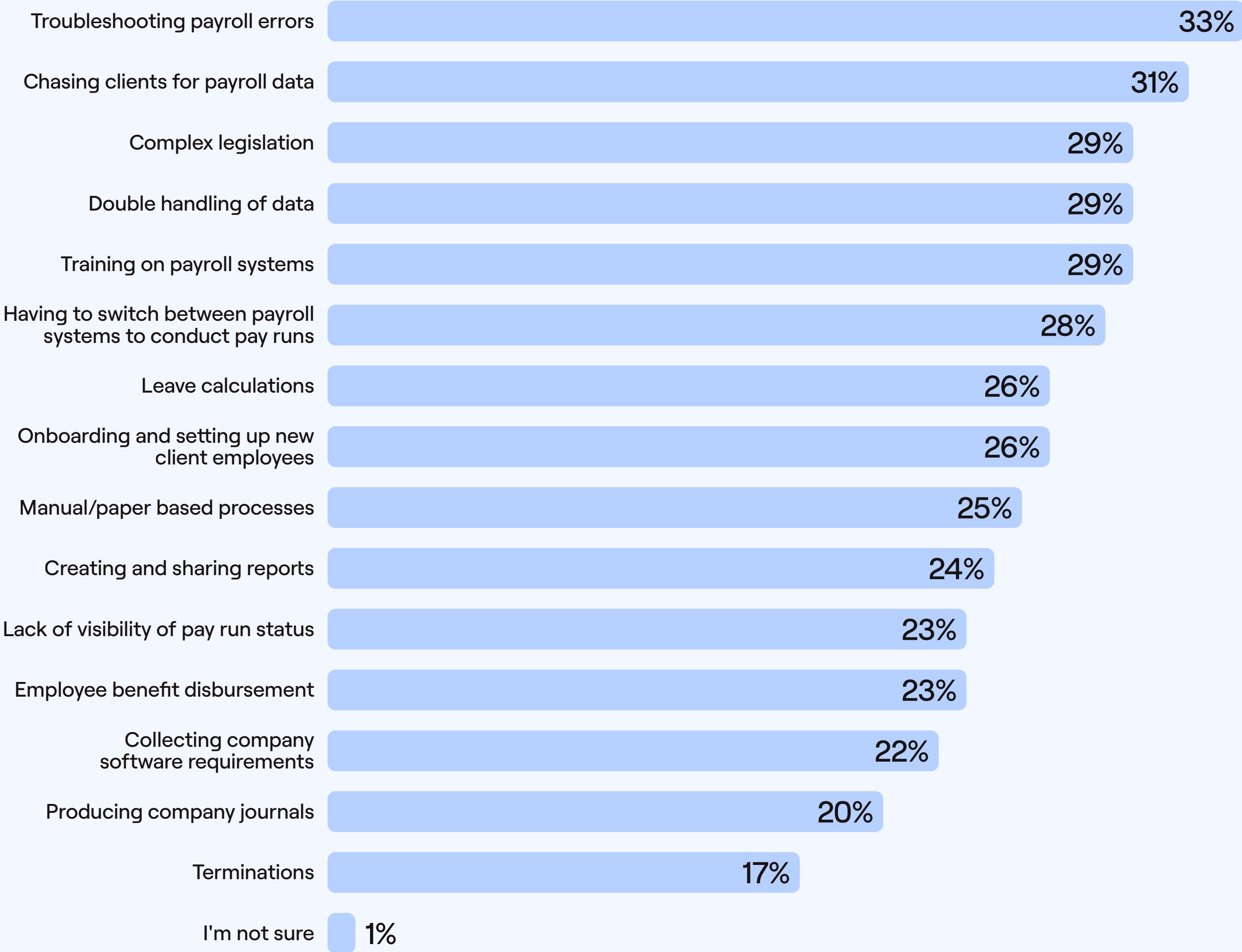
Our payroll legislation in Australia, while complex, does not in my opinion solely contribute to the big payroll time wasters. I believe it has to do with inefficient workflow practices, organisations not leveraging the software and not investing in HR and payroll systems that will enable a better user experience for staff, management, and the payroll team.

– Liette Calleja, Business Depot



Thinking about the way you currently manage payroll services for your clients, what are your top challenges?*

AUSTRALIA

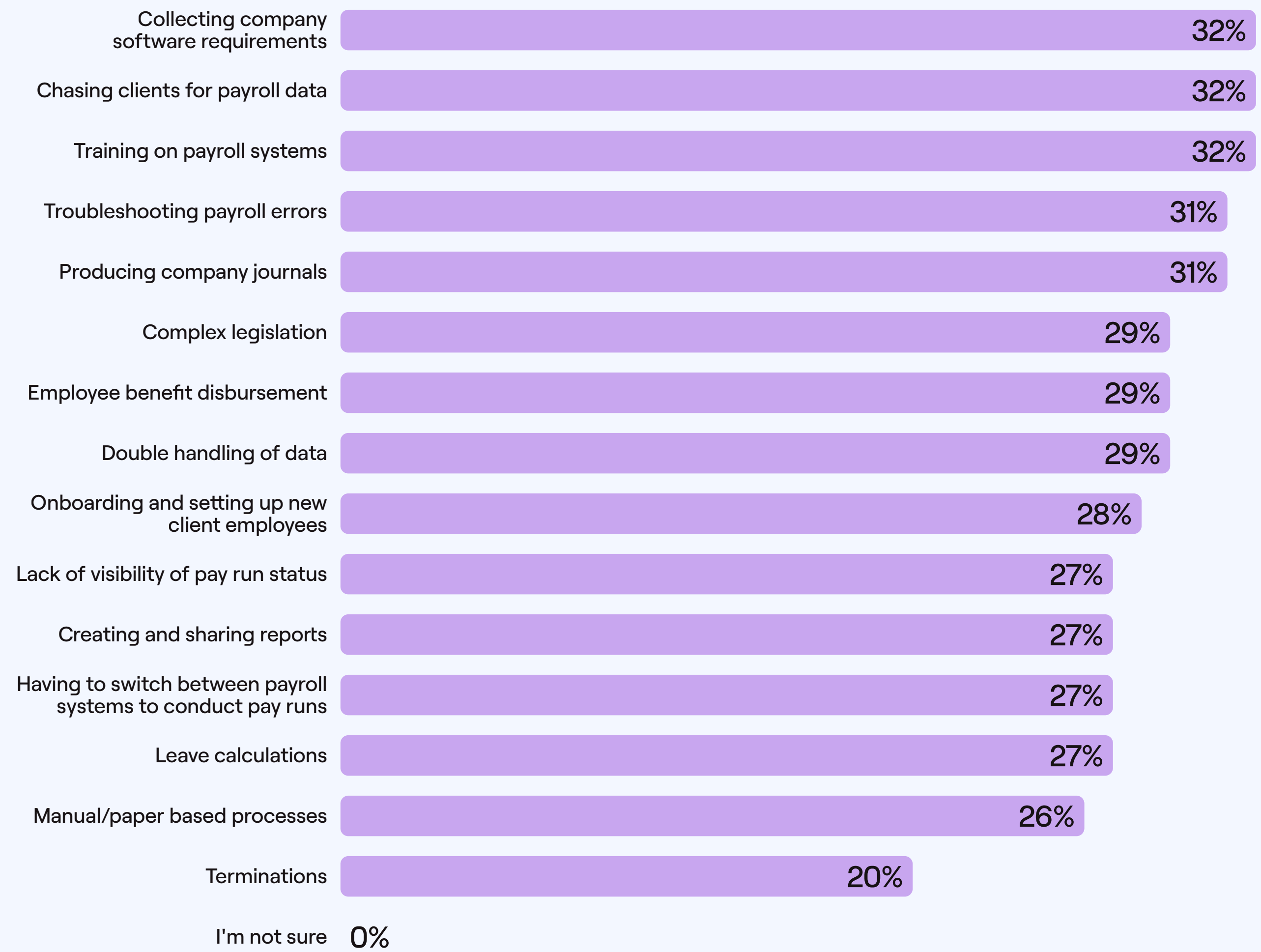


*Note: Respondents could select more than 1 option



Thinking about the way you currently manage payroll services for your clients, what are your top challenges?*

NEW ZEALAND



*Note: Respondents could select more than 1 option

From chasing people for payroll data, to troubleshooting payroll errors or navigating complex legislation, it's an ongoing headache come payroll time – and Lietelette agrees.



There are several reasons that hinder the delivery of payroll. Some of my own personal experiences are managers not approving timesheets on time, and payroll is then tasked with chasing them to approve. Another tricky area is managing timesheets, especially when employees forget to clock in or out.

– Lietelette Calleja, Business Depot

Lietelette isn't alone in her payroll challenges; **31%** of Australian respondents feel that chasing people for payroll data was a major challenge, often requiring manual intervention which significantly slows down payroll processing time.

It's no surprise that among Australian businesses, the top three payroll challenges were troubleshooting payroll errors (**33%**), chasing clients for payroll data (**31%**) and dealing with complex legislation (**29%**).

Among Kiwi SMEs, the top three payroll challenges were training on payroll systems, chasing clients for payroll data and collecting company software requirements (**32%**).



AI AND AUTOMATION IN THE PAYROLL INDUSTRY

We all know that artificial intelligence has been the latest buzzword in just about every industry, especially since the emergence of ChatGPT. Now, it's revolutionising how businesses handle their payroll by making operations faster, more streamlined, cost-effective, and less prone to human error.



Interestingly, a 2024 study conducted by the [Australian Payroll Association](#) found that **41.1%** of employers expect to review their payroll technology in the next 12 months. This could be largely due to efficiencies that could be gained through AI advancements in payroll technology, which many payroll professionals are already taking advantage of.

”

With the time saved from automation, I would spend more time running payroll education sessions for employers instead of using my time to fix payroll gone wrong!

– Karyn Campbell, Payroll Consult

So what are the benefits of using AI?

→ Automation of routine payroll tasks

AI-powered automation can support fast and reliable data entry by extracting relevant information from various sources, such as timesheets and employee records. It can manage and calculate deductions, benefits, and contributions automatically, considering factors like insurance premiums, retirement contributions, and other employee benefits. Plus, they can automatically input this payroll data and validate the data to ensure accuracy

→ Greater data analysis and predictive insights

AI-powered data analytics can spot patterns and trends, by analysing vast amounts of data such as employee records, attendance, leave patterns, and performance metrics. This provides a better understanding of regularities in employee salaries, overtime, and benefits usage, and informs decision-making in areas such as resource allocation and compensation planning.

→ Enhanced accuracy and compliance

AI algorithms can perform complex calculations with high precision, minimising the risk of errors in payroll calculations. Whether it's overtime, taxes, or other deductions, they deliver fast and accurate computations – which takes a huge load off your shoulders when it comes to payroll.

AI systems can also adapt to changes in tax regulations and local laws. They can continuously monitor updates and automatically adjust payroll processes to be in line with your country requirements. This adaptability is a game-changer in environments where regulations frequently change.

→ Improved time & attendance processes

AI-powered biometric systems, such as fingerprint or facial recognition, can enhance security and accuracy in tracking employee attendance. Biometric data ensures that the person clocking in or out is indeed the authorised employee, reducing the risk of time fraud. The process of clocking in or out is also much more efficient — it literally takes just under one second.

On top of that, AI systems can provide real-time monitoring of employee attendance, allowing for immediate identification of discrepancies or issues. Supervisors can receive alerts for late arrivals, early departures, or instances of excessive overtime, enabling timely intervention.

→ Improved employee experience and self-service

If you're processing payroll, it's likely you know the repetitive questions that come in from employees on a routine basis. What's my leave balance? How do I claim an expense? What day do we get paid?

With the help of an AI-powered conversational chatbot, payroll managers can handle the influx of queries more efficiently.

Chatbots can be trained to converse like humans, be integrated into self-service portals and improve satisfaction levels of employees.

What's more is that these bots can sort out complex queries and direct the employee to the relevant resource page or person-in-charge to resolve any enquiries raised quickly. This helps to reduce workloads immensely, and payroll professionals can spend more time on strategic initiatives, rather than attending to employee queries.

→ Streamlined communications

AI-powered automation can support fast and reliable data entry by extracting relevant information from various sources, such as timesheets and employee records. It can manage and calculate deductions, benefits and contributions automatically, considering factors like insurance premiums, retirement contributions, and other employee benefits.

Plus, it can automatically input this payroll data and validate the data to ensure accuracy. By automating these repetitive tasks that take up a lot of time, payroll and HR teams get valuable time savings which they can use to focus on more value-adding areas.

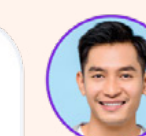


Quinn's Hero Tip

Did you know that Employment Hero has a built-in AI assistant? Hero AI is designed to streamline your workday, freeing you up to do what technology can't. Your team can get instant answers to HR policy questions with Hero AI, so you can focus on what you do best.

Ask Hero AI ✨

Do we get a WFH allowance?



Yes, there is a WFH allowance. The WFH allowance is \$50 per month for each eligible employee. Read more in the attached policies.

Our Policies

Benefits Policy



WFH Allowance Form



Payroll professionals predict that their usage of AI will increase

Artificial intelligence (AI) is changing the world, offering us new ways to work and live. The technology is no longer the pipe dreams of science fiction – with the growth of intelligent chatbots and AI-powered software, there's now a ton of options coming on the market every day.

For payroll professionals, this is a golden opportunity to try something new. Ditch the tedious daily admin and find different ways to automate your ways of working.

According to the [Australian Payroll Association](#), payroll professionals spend on average **11.9 hours** per week on manual tasks. This finding shows that automation and process improvement allows additional time for teams to build relationships and focus on more strategic work – all while revolutionising the way they complete payroll. It's an exciting time for the payroll space and one that will only continue to develop and transform over the next few years.

In Australia, **81%** of respondents believe AI and automation use will increase in their organisation over the next 12 months. Most of them expect it to take a paced approach, with **50%** saying that it'll somewhat increase and **31%** believing it'll increase significantly.



Thinking about the next 12 months, will the use of AI and automation in your organisation...

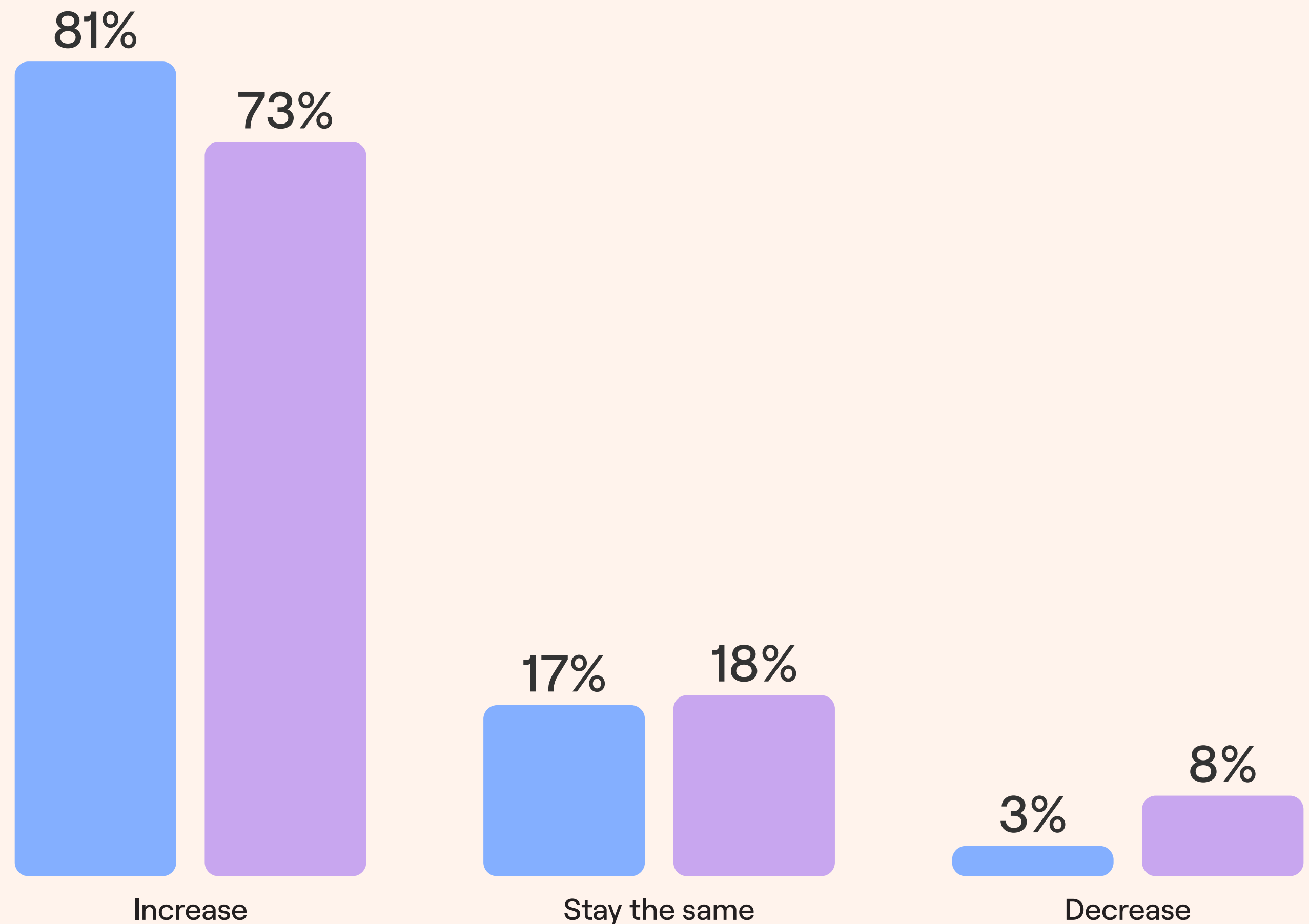
AUSTRALIA



NEW ZEALAND



Australia New Zealand





Perhaps that's not a surprising statistic given that, right now, Australia is home to the world's [highest-ranked institutions](#) for studying AI, while offering various professional and job-oriented programs.

As the industry undergoes this shift, we're seeing businesses who offer payroll services review their current offerings, allowing them to expand, streamline and launch brand new services.

”

Innovation doesn't stop with adopting new technology. It also involves exploring new business areas and services. With AI handling routine tasks, our team can dedicate time to developing and launching new services and completing higher value tasks that address our clients' evolving needs.

– Irene Bennetts, Admin Army CEO & Founder

In New Zealand, **73%** of respondents believe AI & automation use will increase in their organisation over the next 12 months, with the majority saying it will somewhat increase (**47%**).

Overall, the statistics highlight just how similar attitudes are towards AI and automation across Australia and New Zealand. It's clear that as we become more familiar with AI integrating with our lives, professionals now recognise the potential benefits of using newer technologies in their payroll processes, which can help them achieve greater efficiency and accuracy.

The thought of using AI or automation to cut down payroll processing time is appealing

The ANZ payroll landscape is witnessing a notable shift towards the adoption of artificial intelligence and automation, with respondents from both Australia and New Zealand signalling a readiness to leverage advanced technologies to streamline payroll operations.

89% of respondents in Australia believe it would be appealing, while in New Zealand, **79%** believe that it would be appealing. This overwhelming sentiment nods to widespread recognition among payroll professionals of the potential productivity gains that can be achieved through automation technology.

This reiterates that the payroll industry, usually associated with stacks of paperwork and countless spreadsheets, is in the midst of a major makeover. There's no wonder that all this double data handling and manual processes have payroll professionals curious about how they can automate their day-to-day tasks with AI. Not to mention the time it frees up to focus on advisory and the more human side of payroll.

”

When we use AI and automation, the additional capacity allows us to humanise and enhance the customer experience. We're positioned to have strategic business conversations and highlight business data to empower better decisions. This strengthens long-term relationships and demonstrates our commitment to them and the value we offer while fostering loyalty and trust.

– Heather Smith, Chartered Accountant



How appealing or unappealing would it be if in the near future you were able to cut down your payroll processing time to minutes all through the use of AI or automation?

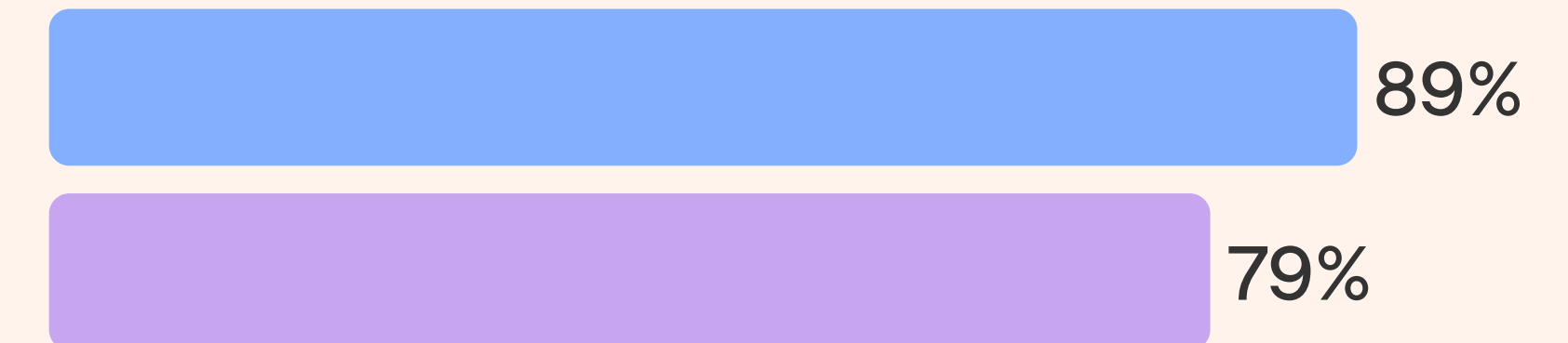
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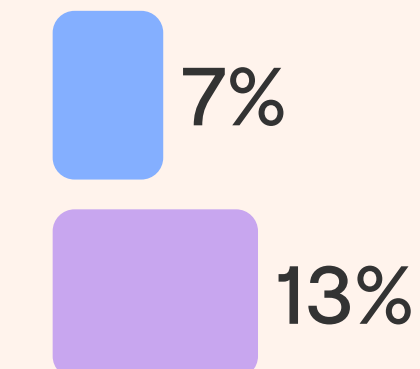
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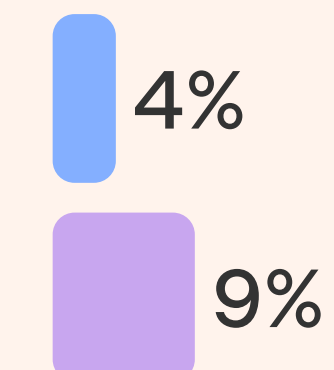
Appealing



Neither appealing, nor unappealing



Unappealing



AI and automation will increase opportunities for professional development

Amidst all the fear of AI and automation potentially leading to the displacement of jobs, particularly those that involve routine and repetitive tasks, it's heartening to see that payroll providers in Australia and New Zealand are optimistic about the new opportunities it will bring to the table. Respondents in Australia and New Zealand were aligned on their perspectives, feeling positive towards how it could make their role evolve.

51% of respondents in Australia and **62%** of respondents in New Zealand believe that AI and automation will first and foremost enhance their data analysis skills. It seems that there's a growing recognition of the transformative potential of AI and automation in augmenting human capabilities, particularly in the realm of data analytics.

By leveraging historical data and patterns, AI algorithms can predict future trends, such as anticipating fluctuations in workforce dynamics, ensuring better resource planning, and mitigating potential issues related to payroll management. It allows payroll professionals to focus on more strategic aspects of data analysis, such as interpreting results to make more informed decisions and implement data-driven insights.

Payroll professionals also believe it will enhance their payroll expertise, with **45%** agreeing in Australia and **51%** agreeing in New Zealand.



As AI and automation advances, how do you envision your role evolving?*

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Improve my data analysis skills

51%

Enhance my payroll expertise

45%

Increase opportunities for professional development

41%

Saves my time in error resolution

40%

Expand duties to include aspects outside of payroll (i.e HR/finance)

37%

Improve my work life balance

37%

Career or job change

31%

Increase focus on payroll strategy and advisory

18%

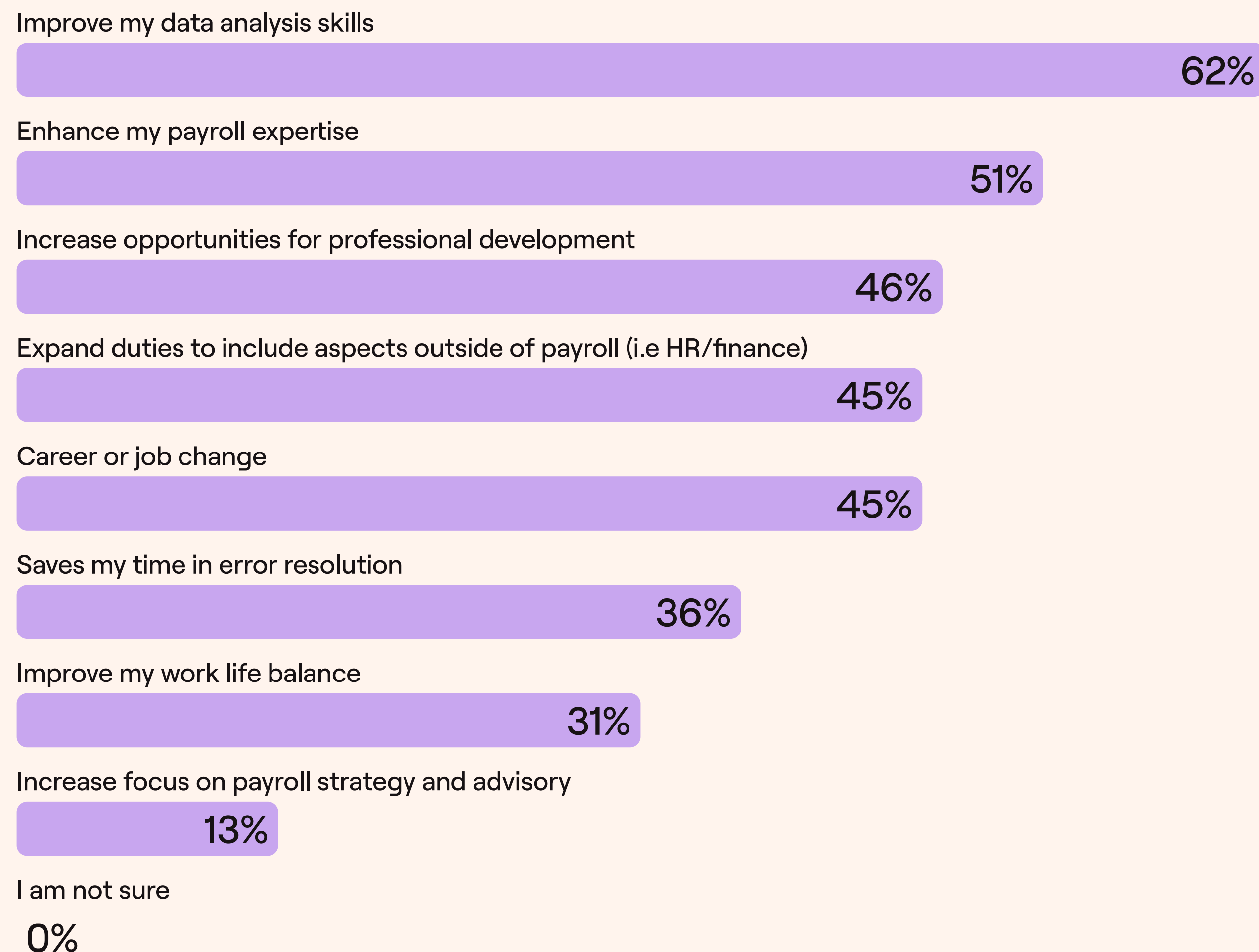
I am not sure

1%

*Note: Respondents could select more than 1 option

Q As AI and automation advances, how do you envision your role evolving?*

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*Note: Respondents could select more than 1 option

Following a similar trend, **41%** of respondents in Australia and **46%** of respondents in New Zealand also believe that AI and automation will also increase their opportunities for professional development overall.

As routine & repetitive tasks become automated, payroll providers can redirect their efforts towards value-adding activities, such as relationship building, advisory work, and strategic workforce planning. This shift allows for the development of skills related to interpersonal communication, leadership, and a broader understanding of organisational dynamics.

With the nature of AI and automation technology being ever-changing, it's essential that payroll providers stay across any developments, as well as workplaces fostering a culture of continuous learning and adaptability. This could look like teams engaging in ongoing education, attending training programs, and staying informed about the latest advancements in AI and automation through local associations or meetups.

The most promising part? There's widespread enthusiasm among payroll professionals in embracing AI and automation technologies – and with a positive mindset focused on the benefits and advantages they can gain from it, the industry is set for an exciting and transformative change.

”

Our team's expertise and continuous professional development are critical. We invest in training and knowledge-sharing to ensure our staff can leverage new technologies and confidently support clients through transitions and usage.

– Irene Bennetts, Admin Army



CHALLENGES AND CONCERNS

Although the industry is transforming, there's still many operational challenges payroll providers are facing in 2024.



Across both countries, payroll providers are facing issues with data inaccuracies, software outages and legislative changes

This sentiment underscores a shared recognition of the impact of evolving regulatory landscapes on payroll practices in both Australia & New Zealand, with huge penalties at stake. It's also a reminder of the importance of staying up to date with compliance and best-practice payroll processes.

”

Our status as members of NZPPA allows us to stay ahead of legislation updates and training requirements, ensuring our team and clients are always well-informed and prepared.

– Irene Bennetts, Admin Army





But it's also a stark reminder of the catastrophic penalties that are on the line if you get it wrong. Payroll mistakes are all too common amongst Australian businesses and in recent years, the Fair Work Ombudsman (FWO) has taken a no-tolerance approach to those who underpay their employees. There's never been a more important time for Australian businesses to make sure they're paying their employees compliantly.

The reality is that Australian employment law is easy to get wrong. That's why we continually see prominent Australian companies getting caught up in underpayment scandals. It's no wonder this is a challenge for payroll professionals.

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Payroll is extraordinarily complex, and keeping abreast of the constant changes is difficult. Every week, another business owner is in the media in trouble over a payroll debt. While automating and streamlining payroll is a 'nice to have', engaging a payroll professional to oversee the process helps you sleep at night.

– Heather Smith, Chartered Accountant

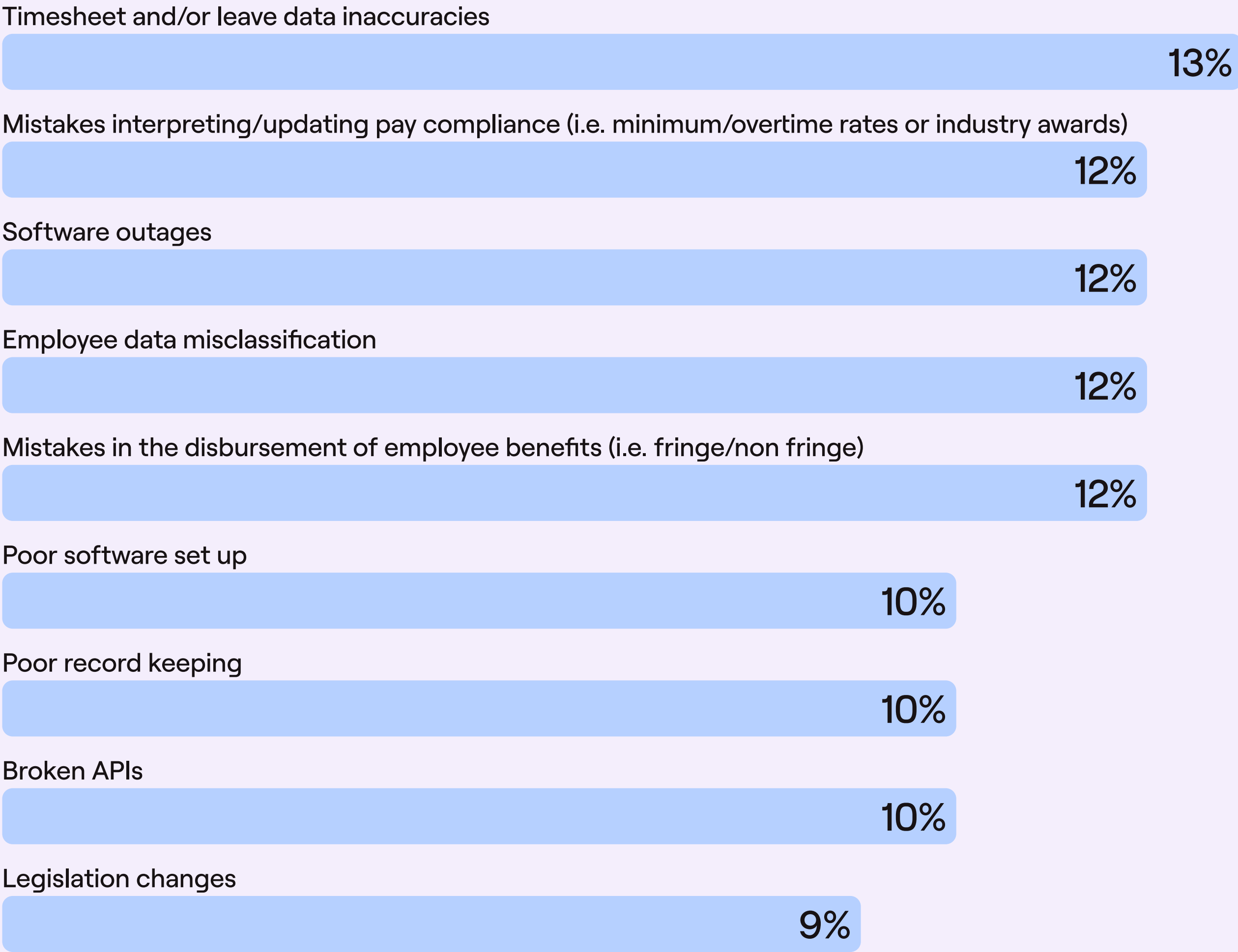
In Australia, time sheet and leave calculations identified as the most common payroll mistakes.

Behind timesheet and/or leave data inaccuracies (**13%**), was mistakes interpreting/updating pay compliance (i.e. minimum/overtime rates or industry awards), software outages, employee data misclassification and mistakes in the disbursement of employee benefits (i.e. fringe/non fringe).



What are the top 3 reasons mistakes occur during the provision of payroll services?

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In New Zealand, interpreting & updating pay compliance identified as the most common payroll mistake.

New Zealand is no stranger to complex payroll legislation, and its complexity is only increasing. When speaking to our customers, we know that one of their biggest challenges they've faced is keeping up with legislation, and it's backed by our research.

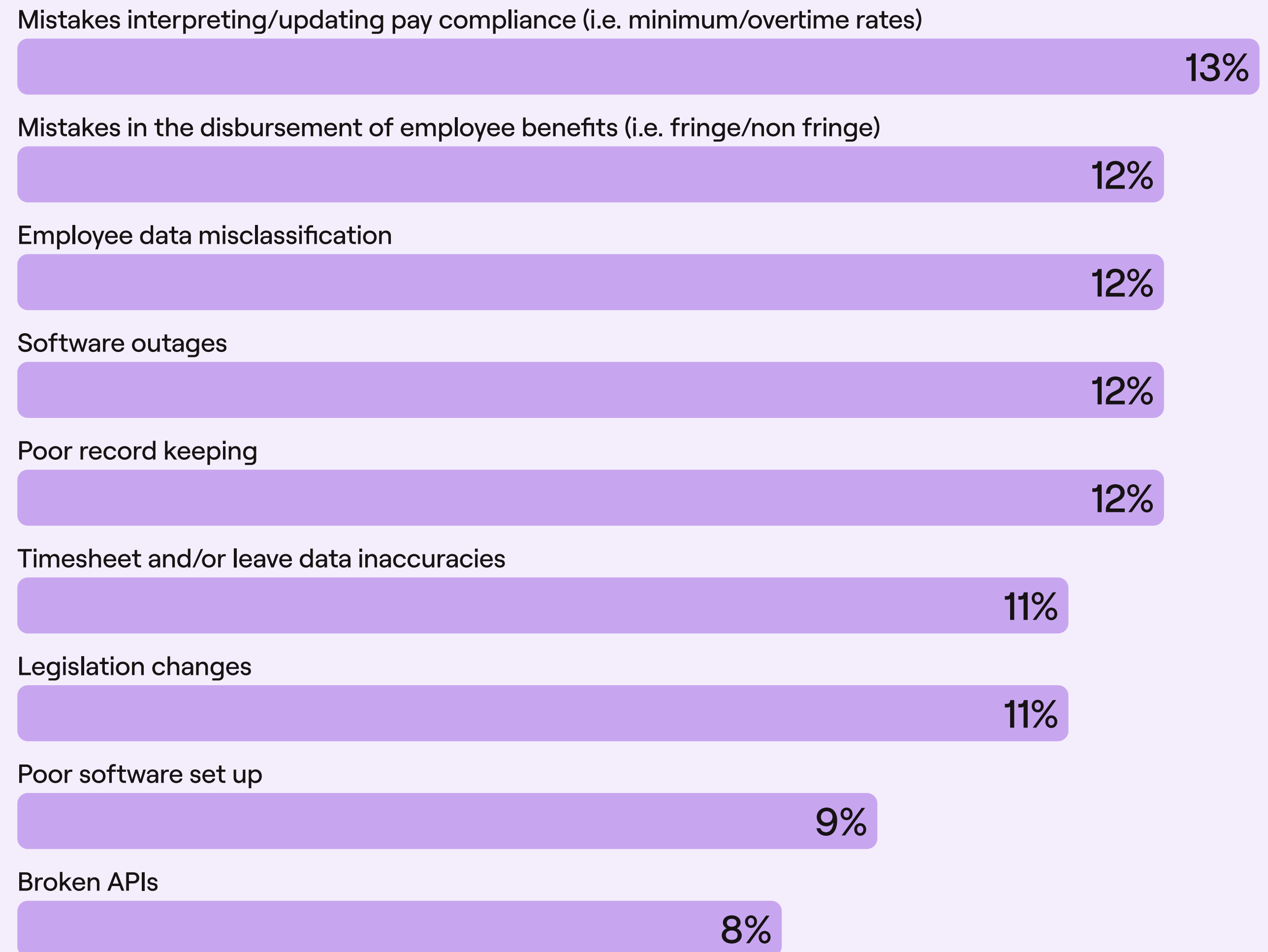
Whether it's understanding the finer details of the Holidays Act or new legislation that's come with a change in government, payroll professionals are feeling the full impact of every change. Not only does time need to be invested in additional education and training to keep across everything, but also in ensuring that mistakes are eliminated before they become a much bigger problem.

When we zoom out on both regions, we can clearly see the similarities between Australia and New Zealand. The differences amongst all challenges in both regions are slim, showing that many payroll providers still face significant challenges each pay run.



What are the top 3 reasons mistakes occur during the provision of payroll services?

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I feel that clients are focussed on what they do, and not so much on the compliance side of things. I tackle it by frequent reminders and have also created my own onboarding documents which I customise and send to clients when they hire new staff.

– **Sara Foster, Balancing Numbers**

With the payroll landscape constantly changing, it's challenging to stay across it all. That's why investing in continuous training for your team can be transformative. Prioritise pencilling in regular training sessions, becoming a member of relevant payroll associations and signing up to emailing lists.

More importantly, having an integrated payroll system can help you eliminate clunky processes and streamline every part of the process. Think of an integrated payroll system as being non-negotiable, and one that's built for the future. Not only will you be able to run a synchronised suite of technology that works together, you'll save time on manual admin across platforms and reduce the risk of error.

And the best part? You'll be able to see a broader view of your business from one place.

We're ready to embrace AI and automation, but still have concerns over data security and privacy

While AI and automation is becoming more intertwined in our lives, it's clear that when it comes to this new technology – we still have some hesitation.

As AI tools, especially in payroll, handle sensitive employee data, it's critical to ensure data security and responsible use of AI technologies. By prioritising being informed about ethical considerations and legal regulations surrounding AI in the workplace, you can mitigate risks and build trust among employees.

In Australia, the three most common challenges that are experienced with automation are data security and privacy concerns (**33%**), balancing automation and human oversight (**31%**) and over-reliance on AI and automation (**30%**).

In New Zealand, the three most common challenges that are experienced with automation are data security and privacy concerns (**31%**), balancing automation and human oversight (**29%**) and lack of in-house expertise (**29%**).

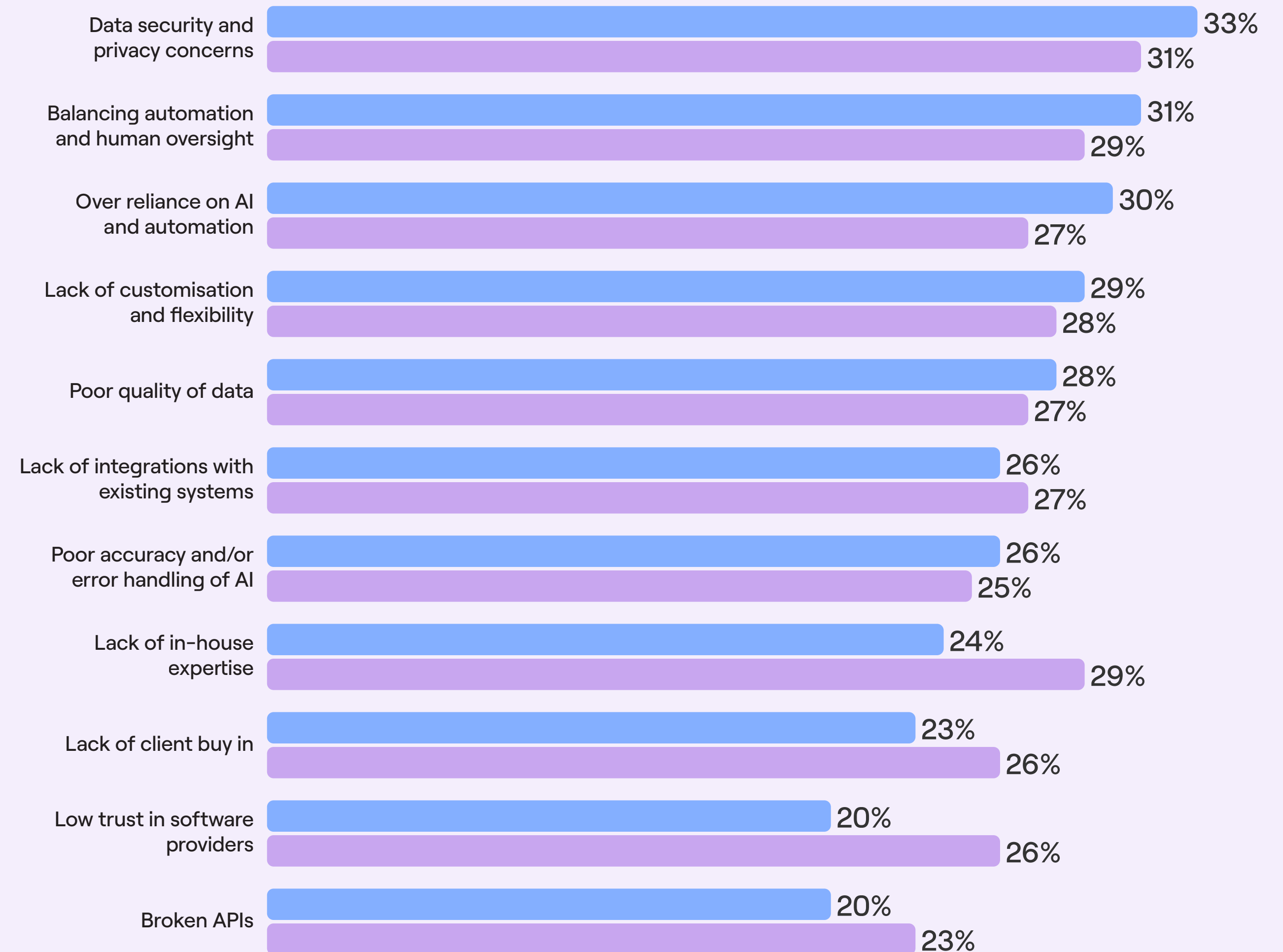


What are the most common challenges that you experience with automation? Please select your top 3 challenges.*

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NEW ZEALAND



*Note: Respondents could select more than 1 option



IDENTIFYING BEST PRACTICES

In navigating the complexities of payroll, payroll professionals are constantly seeking out best practices. Drawing insights from our data and experiences shared by industry experts, several key best practices emerge – particularly concerning implementation.



Automating payroll reporting and pay calculations are top priorities

Our data revealed a consistent array of potential mistakes in payroll provision, emphasising the importance of meticulous attention to detail and highlighting the need for shared strategies to address potential pitfalls.

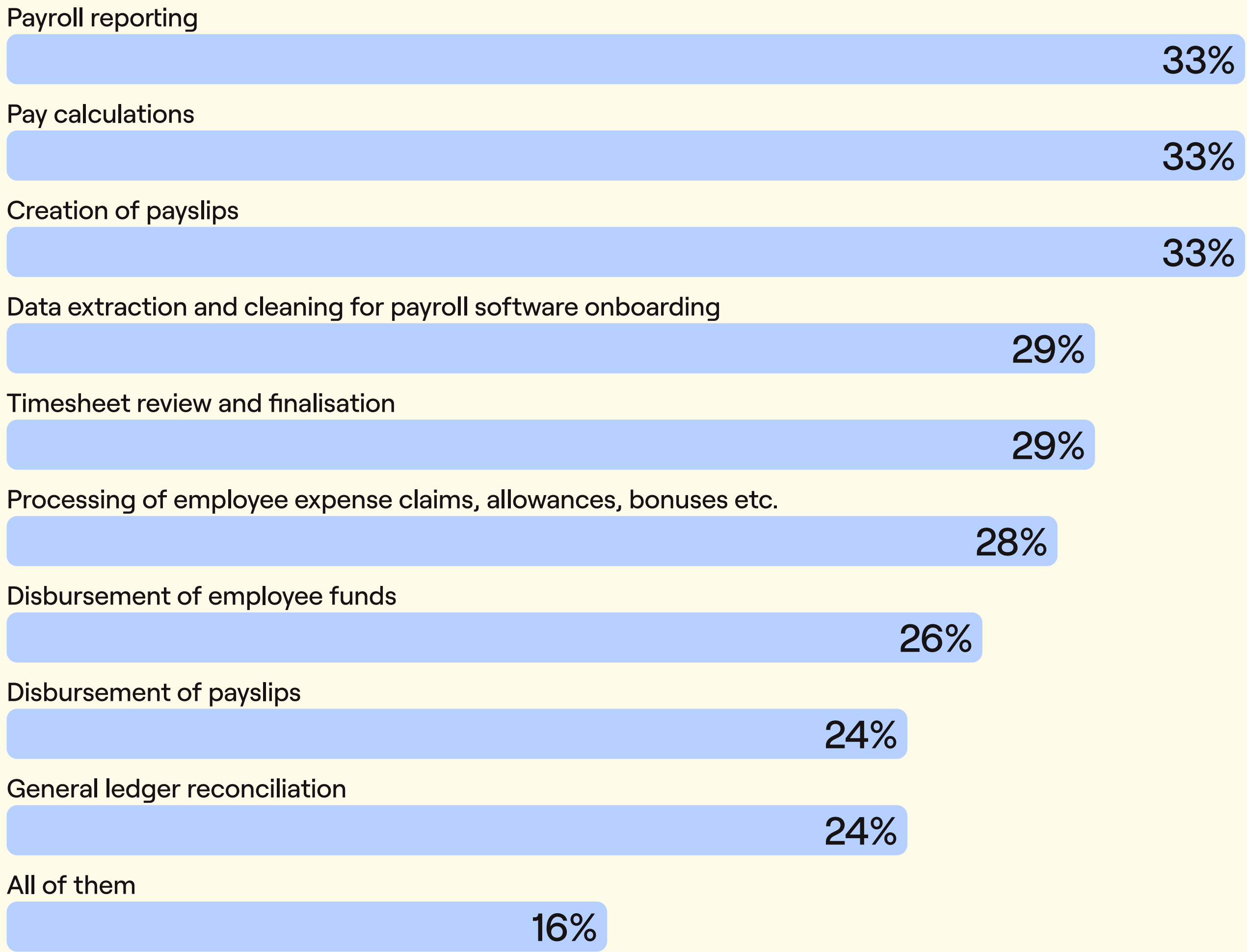
When it came to what payroll professionals wanted to see automated in their businesses, payroll reporting and pay calculations were the most popular aspects identified. **33%** of payroll providers in Australia and **36%** in New Zealand expressed a desire for automation in payroll reporting, followed by **33%** in Australia and **32%** in New Zealand for automated pay calculations. **33%** of Australian respondents also named the creation of payslips a top priority.

The payroll industry is an ever-changing industry, and if we look at the desire to automate pay calculations, we can see the relation to compliance. New legislation, new minimum pay rates and changes to employment law happen frequently. With the help of automation and AI, this can help reduce the risk of non-compliance as systems automatically update in line with current requirements.



Thinking about the next 12 months, what aspects of payroll would you like to see automated?*

AUSTRALIA



*Note: Respondents could select more than 1 option



Thinking about the next 12 months, what aspects of payroll would you like to see automated?*

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Payroll reporting

36%

Pay calculations

32%

Timesheet review and finalisation

30%

Creation of payslips

29%

General ledger reconciliation

29%

Processing of employee expense claims, allowances, bonuses etc.

28%

Disbursement of employee funds

28%

Data extraction and cleaning for payroll software onboarding

26%

Disbursement of payslips

25%

All of them

23%

*Note: Respondents could select more than 1 option



Many employers simply don't realise how badly wrong the payments or entitlements are within their business. Many employers would believe they are doing a satisfactory job in a reasonably efficient time, and would not be compelled to adopt new technology, particularly if that new technology was at an increased cost.

– James Gallagher, Payroll Intelligence

When it comes to the strong desire to automate payroll reporting, we can assume this is due to respondents being time poor and looking for ways to streamline their current processes. By automating a critical part of the payroll process, they can have more time back in their day to focus on strategic work and building relationships with their team and/or clients.

”

The complexity and sensitivity of payroll – encompassing legal compliance, accuracy, and timeliness – demand a level of trust and reliability often found in established professional relationships. Clients value the personalised advice and tailored solutions that a trusted professional network can provide.

While essential, software is a tool that needs to be wielded with expertise. The professional network offers that human touch – interpreting data, foreseeing complications, and providing strategic advice that software alone cannot. This human element, coupled with a high level of personalised service and accountability, is something our clients deeply value.

– Irene Bennetts, Admin Army



Average implementation time of payroll software is quicker in Australia, compared to New Zealand

Implementing a new software, especially for payroll processing, is a complex and time-consuming process involving multiple stages and numerous stakeholders. This means it's not a process that can be easily rushed into – especially when doing so can lead to more complex problems.

The majority (**49%**) of respondents in Australia stated that it took 1-3 months to implement payroll software, while in New Zealand the majority (**48%**) said it took over 3 months to implement.

But what are the key factors contributing to this long implementation period in New Zealand, and what can be done to facilitate smoother transitions and reduce implementation times?



When getting ready for implementation, make sure you have dedicated resources and time allocated for the implementation process. This involves having a project team with representatives from HR, IT, Payroll, Finance, and other relevant departments who can help streamline communication and the decision-making process during your implementation.

It's also important to be flexible. Keep in mind that when you're transitioning to a new payroll software there will be differences, so being open to new ways of working can make the journey run more smoothly.

Lastly, be engaged during the implementation process. Ask questions and use the time to learn how you can use it in ways that are unique to your business. Remember, you're the one operating the payroll software post-implementation and ultimately hold the power of its overall success.

**Constance Mallon,
Implementations Experience Manager, Employment Hero**

Processing payroll in New Zealand involves being across many intricate details – tax regulations, employee expenses, leave calculations & KiwiSaver, just to name a few. It’s no surprise that configuring payroll software to align with the specific and often complex payroll processes of an organisation can be time-consuming and confusing. What’s more, many organisations have unique payroll needs based on their industry, size, and specific employee benefits, making accuracy and compliance the highest priority.

It also needs to integrate seamlessly with existing HR, accounting, and other business systems, which is where implementation timelines have the opportunity to blow out.

On top of that, migrating data from legacy systems or paper files to the new payroll software can be complex and time-consuming. Ensuring the accuracy and completeness of data during migration is crucial to avoid errors in payroll calculations – and we all know just how important it is to get set up correctly from the get-go.

Rigorous testing is also essential to validate the accuracy and reliability of the system set-up. This includes testing different scenarios, tax calculations and employee entitlements to identify and rectify any issues before the system goes live.

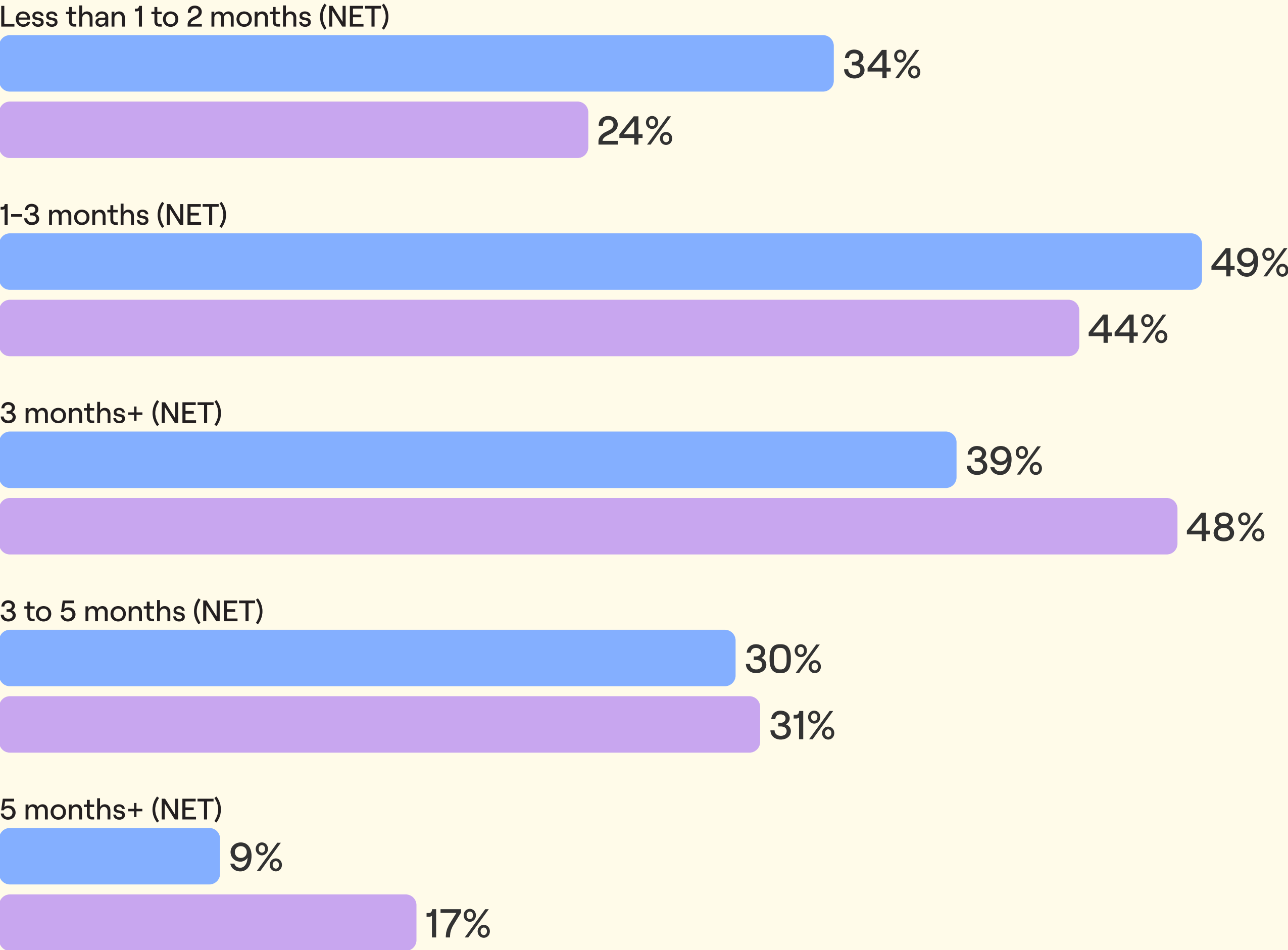
And once the initial setup is complete, it’s important to consider how to increase adoption through employee training. Ensuring that users are comfortable with the new software and understand its functionalities is crucial for a successful implementation.



You said your organisation provides sales and implementation of payroll software, how long does the implementation process take for your average customer?

AUSTRALIA

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Looking ahead

Efficiency remains a focal point for payroll providers – unsurprising given that the majority (**73%**) of pay runs still take longer than a day to complete, with **95%** taking up to 3 days to complete in Australia.

With **89%** of respondents in Australia and **79%** of respondents in New Zealand anticipating AI usage to increase, we’re witnessing first-hand a transformation of the payroll space.



Fully automated payroll could reduce time spent on processing, improve payroll accuracy and help with staying compliant.

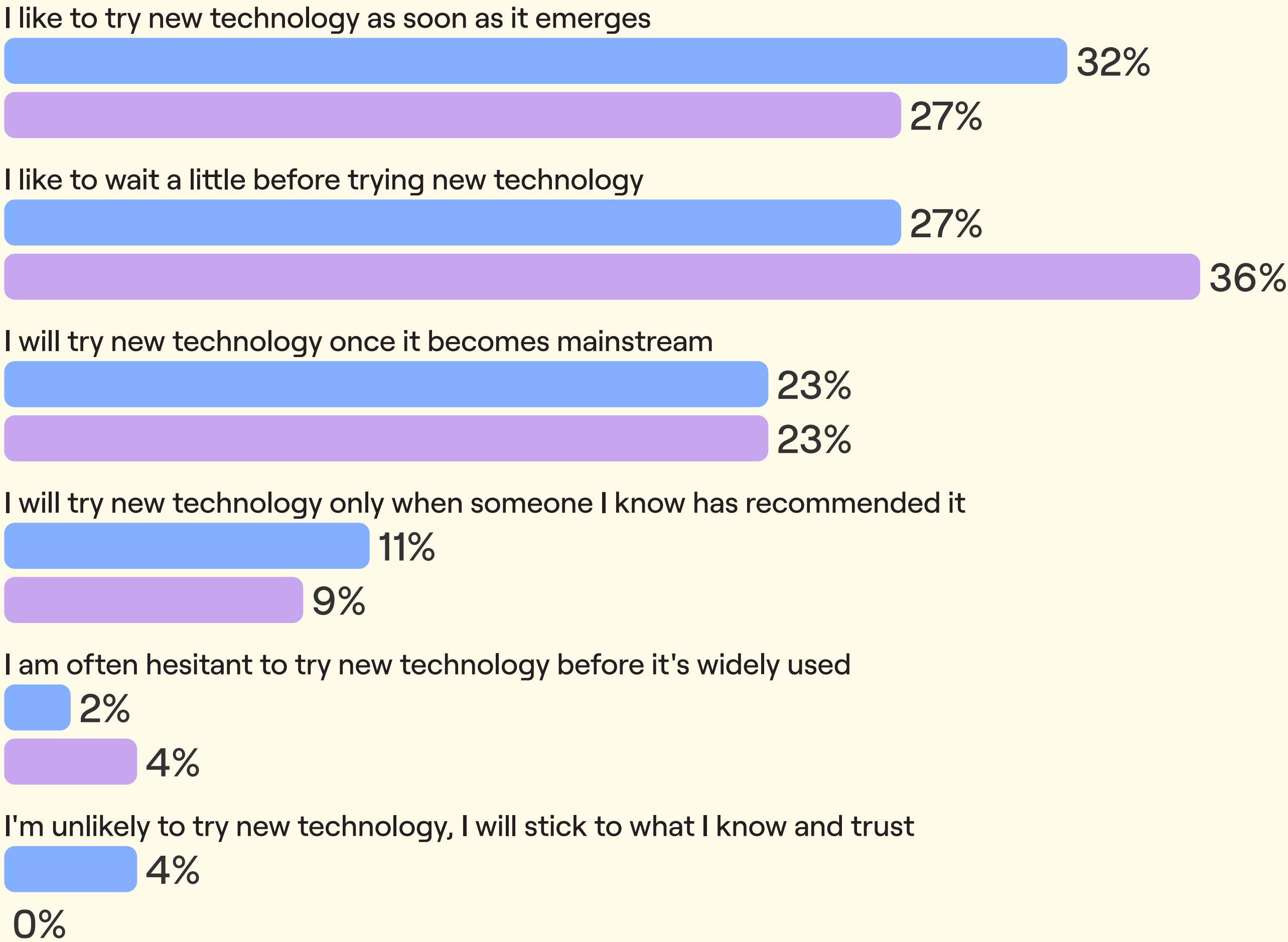
– Sue Brunton, Brunton (NZ) Ltd



Thinking about technology to help service clients, which of the following best describes your attitude?

AUSTRALIA

NEW ZEALAND



Along with efficiency, there is an eagerness to adopt technology quickly to continue innovating the payroll process. **32%** of respondents in Australia and **27%** in New Zealand exhibited enthusiasm for adopting new technologies as soon as they emerge. Irene shared this view as an early adopter:

”

Our desire to provide our clients with the most efficient and effective solutions drives our inclination towards early adoption of new technology. This eagerness stems from our core values of innovation and quality, where we aim to stay ahead of the curve, offering cutting-edge solutions that streamline processes, enhance accuracy, and save time for our clients.

– Irene Bennetts, Admin Army

27% in Australia and **36%** in New Zealand chose a more cautious approach, preferring to wait a little before embracing new technology. Interestingly, **23%** of payroll providers preferred to wait until the software was mainstream before trying it.

This stance reflects a cautious approach to technology adoption, balancing the allure of innovation with considerations of reliability and proven efficacy.

Nevertheless, there's plenty of positive outlook where the potential of AI and automation to improve work-life balance is concerned. **37%** of payroll providers in Australia and **31%** in New Zealand expressed confidence in the transformative impact of these technologies.

Notably, **54%** of business owners, CEOs and CFOs in Australia express a keen interest in adopting AI and automation to enhance efficiency in payroll processes. Similarly, **68%** of accountants and bookkeepers in New Zealand showcase a strong inclination towards embracing automation. This trend underscores a shared recognition among professionals in both countries of the transformative potential of AI and automation in revolutionising traditional payroll practices.

In summary, the future outlook on payroll provision carries both optimism and caution; with plenty of businesses seeing its potential and wanting to be early adopters; while others remain more wary as skills gaps and limited resources are making an impact on their ability to adopt new tools effectively.



CONCLUSIONS

Our exploration into the future of payroll provision has shown that there's considerable appetite across Australia and New Zealand to leverage new technology and navigate change.

We can expect that the payroll landscape is set for even more uptake of AI and automation tools in the months and years ahead.

There's a notable demand among payroll professionals for enhanced AI capabilities to reduce payroll processing time, freeing up time for other business critical work. However, with this advancement in technology, it's critical to continue leading with education to ensure these tools get adopted and used in the most efficient way possible – especially to stay competitive.

Over the next few years, we can expect the role of payroll providers to change as automation becomes intertwined in the role. Not only will this lead to organisational efficiency, but also provide people with opportunities to upskill in their role.

Overall, payroll providers are keen to evolve in their roles – improving their data analysis skills, enhancing their payroll expertise, and increasing their opportunities for professional development.

This will all contribute towards better work-life balance and also enhance their payroll expertise, taking it to the next level with more strategic and data-driven thinking. There will also be less time wasted on error resolution, as software providers will continuously update the platform and features with any legislative changes, and further optimise automated processes.

The journey towards optimising payroll provision through automation and AI requires a commitment to integration, innovation, scalability, data integrity and a willingness to adapt to new ways of working. By embracing these principles and leveraging emerging technologies effectively, you'll be able to stay agile and stand out from the crowd.

METHODOLOGY

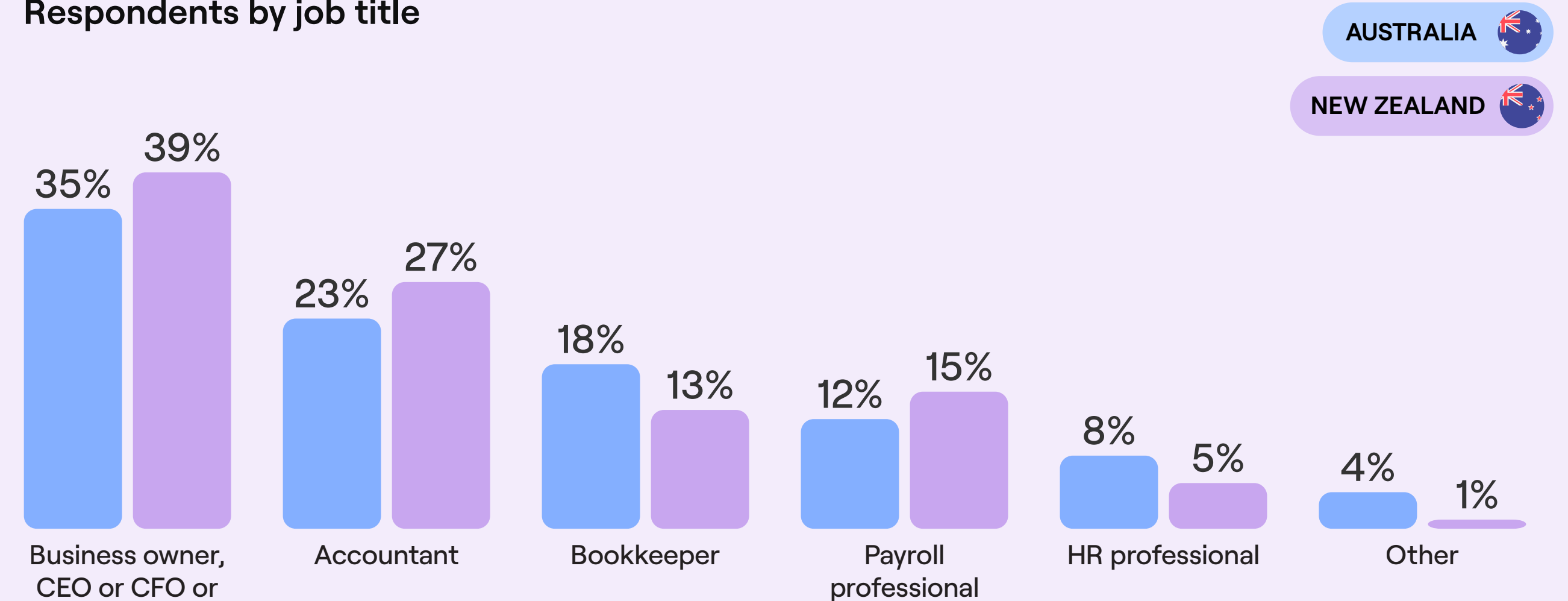
The survey was conducted by Cint, a global software leader in digital insights and research technology, with fieldwork in Australia from 6 February 2024 – 19 February 2024.

The survey length was 10 minutes in length on average. The total number of eligible respondents in Australia was 535 and the total number of eligible respondents in New Zealand was 522.

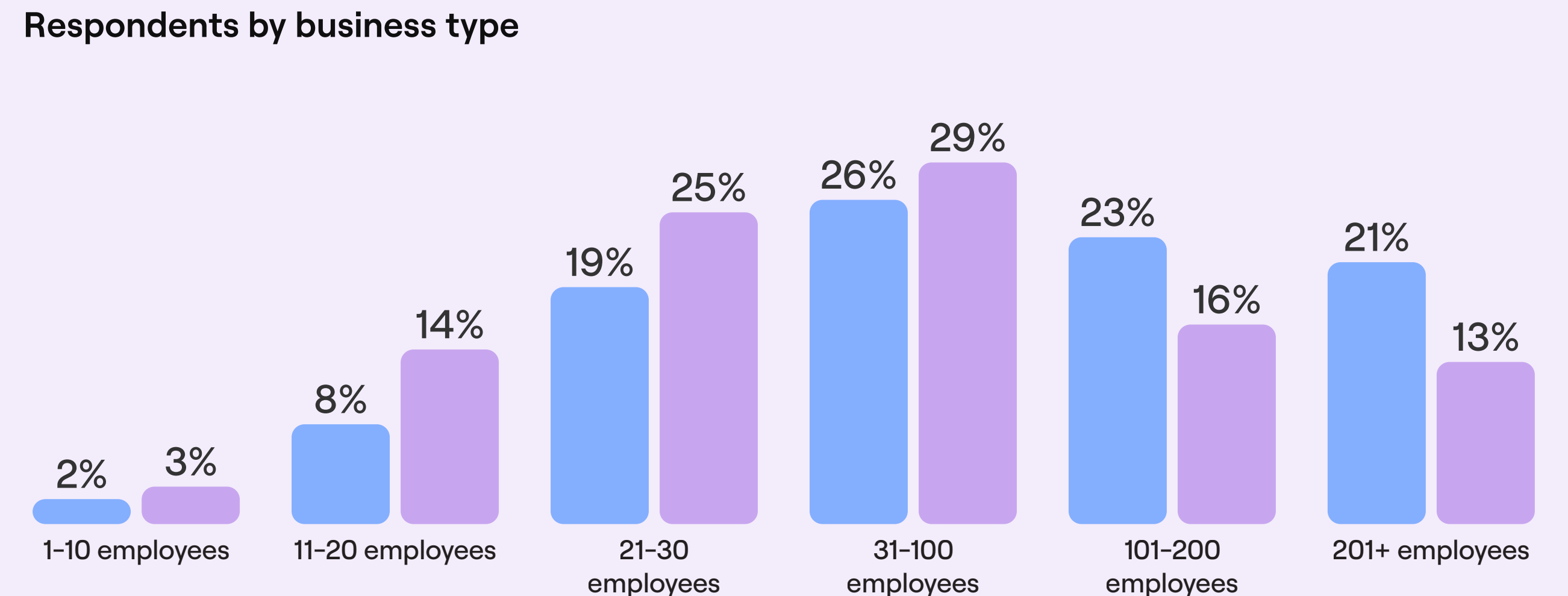
Respondents had to be aged 18+ and be working in one of the following areas:

- Accountancy businesses
- Bookkeeping businesses
- Managed/Outsourced payroll services businesses (i.e. selling payroll services to other businesses)
- Professional services providing payroll services (Technology/HR consultancy businesses or Financial practice & advisory)



Respondents by job title

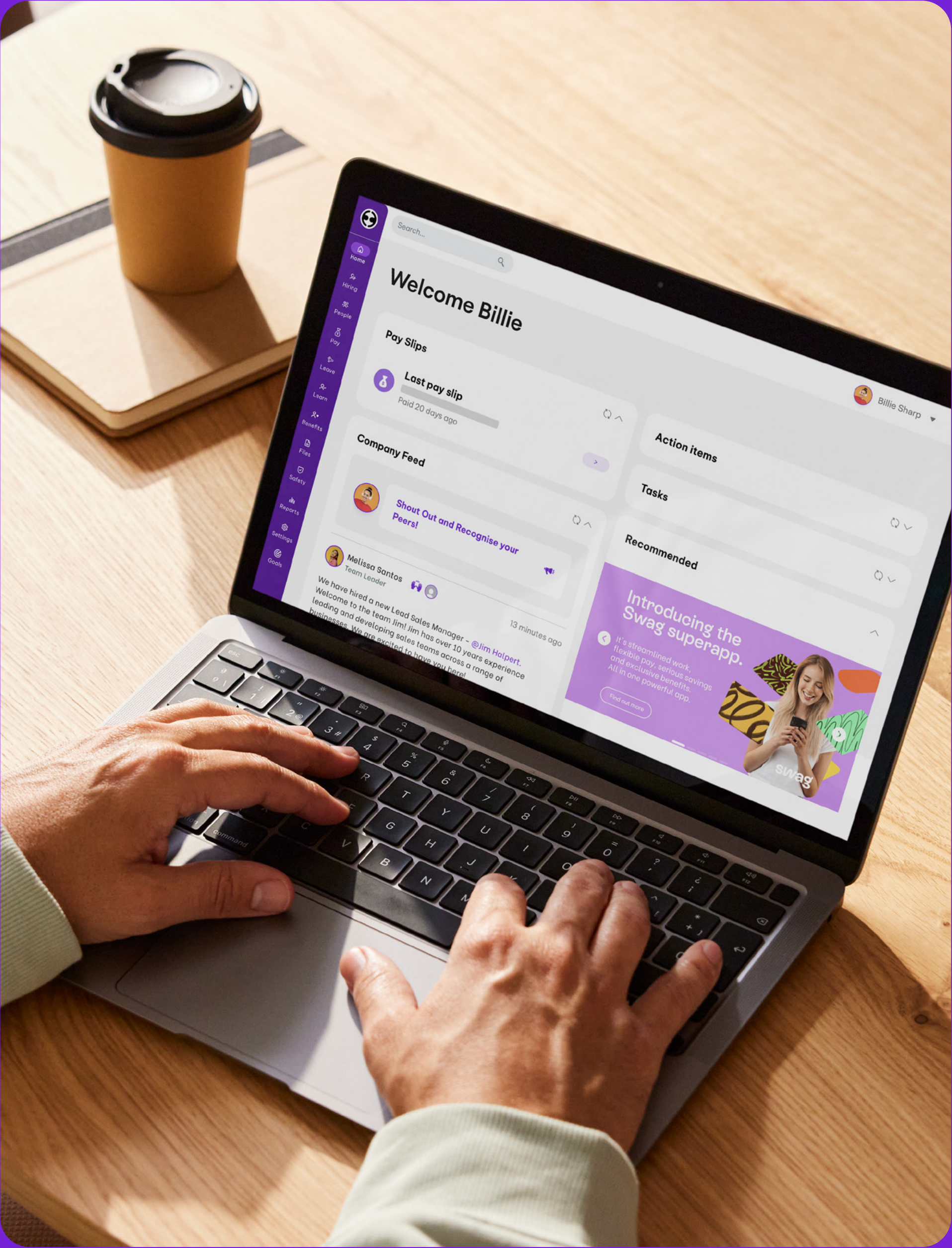
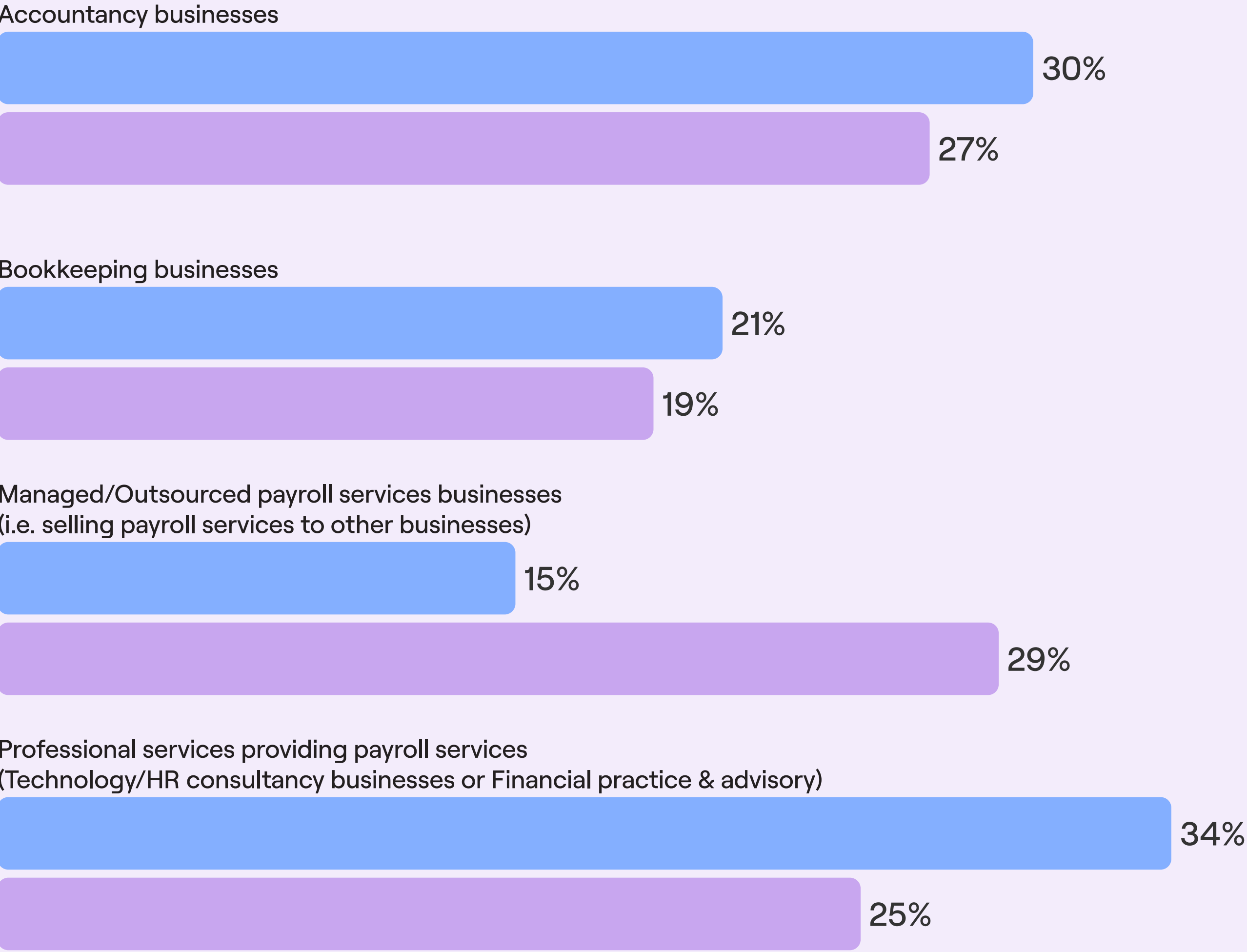


Respondents by business type



Respondents by organisation type

AUSTRALIA  NEW ZEALAND 



Streamline your HR and payroll operations with Employment Hero

Employment Hero is an award-winning, cloud-based HR and payroll platform servicing over 300,000 businesses and collectively managing over 2 million employees across Australia, New Zealand, the UK, Singapore and Malaysia.

Employment Hero streamlines and enhances each step of the employment lifecycle – from the first interaction to their last day. We empower businesses and their teams with the tools to make work easier and more valuable. That means you get access to the expertise, resources and benefits usually reserved for big businesses.

As an automated HR and payroll solution, Employment Hero offers unparalleled time-saving benefits to businesses of all sizes. By reducing costs, manual processes and pressure on resources, payroll providers can streamline operations, freeing them up to work on other important business priorities. With a feature-rich cloud solution and seamless integrations, Employment Hero can help streamline your business operations.

→ Everything HR and payroll in one place

Our cloud-based platform means employee data is a click away. Digital contracts, policy acknowledgement, tracking and record-keeping means important documents can be accessed anywhere, any time.

→ Swag: the first employment superapp

Empower employees to manage HR tasks. Streamline leave requests, make timesheets and rosters available at a glance, and let your people choose when they get paid.

→ Engage, develop and reward

Deliver a gold-standard employee experience with features like reward and recognition, shoutouts and more – all through Swag. Keep your team across important announcements, performance reviews, and goal tracking in one easy app.

→ Payroll reporting

Add value beyond payroll. Automate the generation and distribution of key reports such as leave liabilities, pay runs, STP, superannuation, ESCT, KiwiSaver, and payday filing.

→ Manage payroll with confidence

Australia and New Zealand payroll legislations are complex. From IRD reporting to Holidays Act calculations in New Zealand, and STP reporting in Australia, we've got you covered.

→ Automated pay runs

Eliminate payroll admin tasks by automating pay runs from end to end with a one-off configuration. Warnings help maintain quality control when actions are required.

→ Pay conditions engine

Configure pay condition rules for staff regarding contracted hours, overtime rates, entitlements and deductions, feeding straight into our timesheet calculator.

→ Referral partner program

Designed to supercharge business relationships, Employment Hero's referral partner program allows you to receive a bonus incentive for every successful referral. You maintain the client relationship and we give the best tools to help keep clients compliant.

About Employment Hero

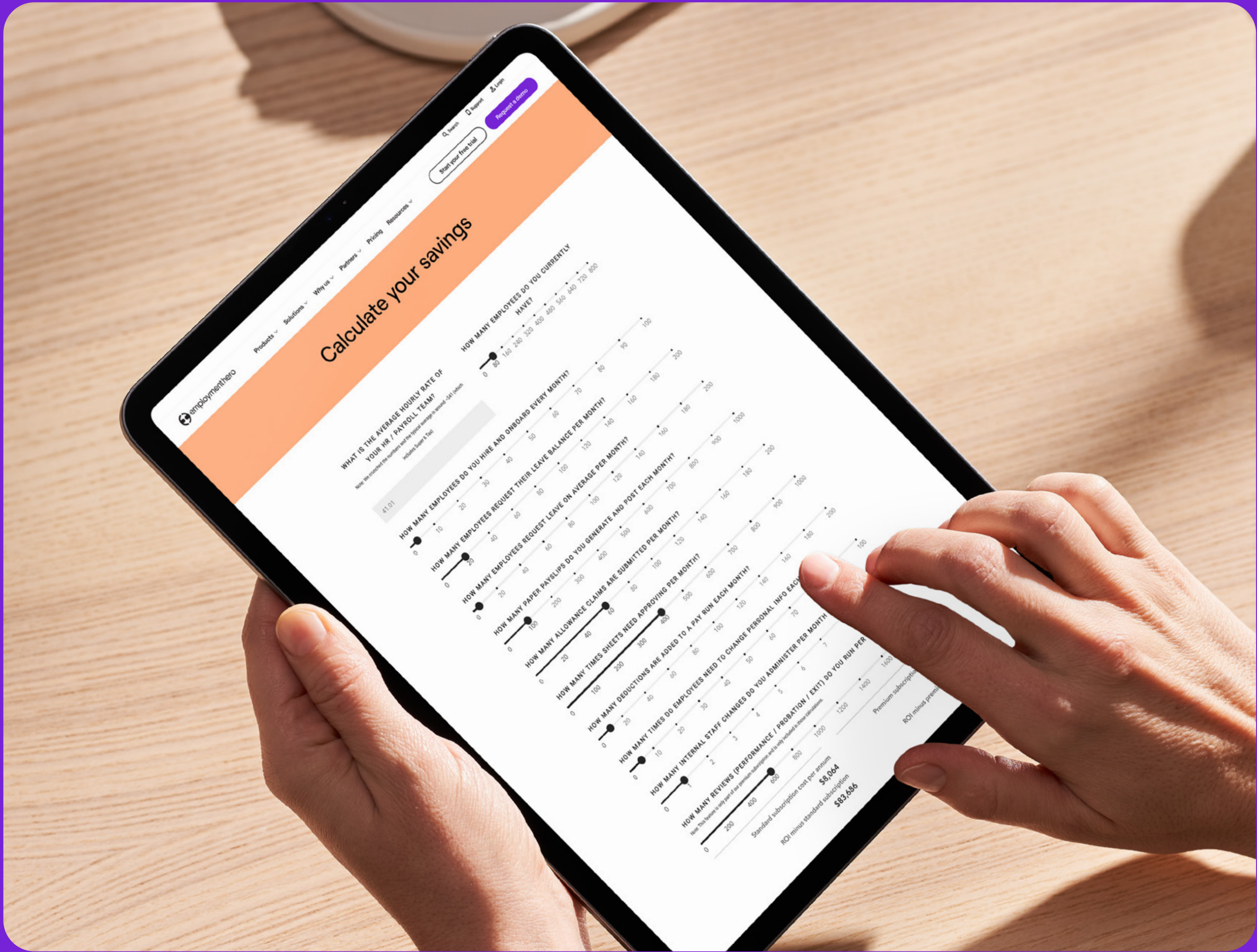
With SMEs making up 99.9% of all businesses, digital transformation has never been more pertinent. Take your business to the next level today with our [all-in-one, cloud-based HR and payroll platform](#).

Our customers tell us that we save 80% of their administration time by automating manual tasks and auto-populating data across the platform. We take the hard work out of people management so employers can grow their teams and businesses with confidence.

Over 300,000 businesses (and counting!) use our platform today. Speak to one of our business specialists to find out more.

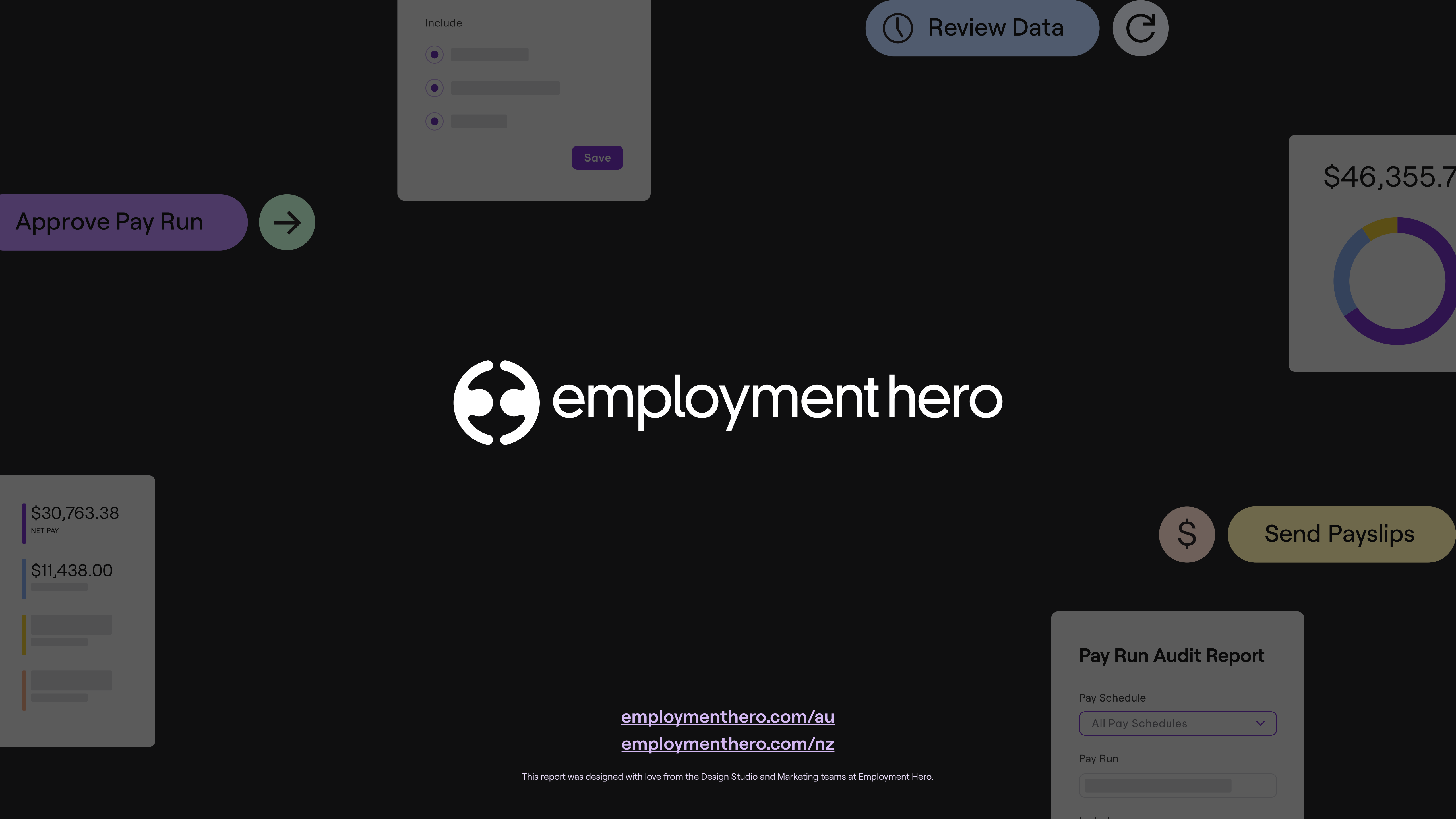
Our features include:

- Employee happiness scores
- 1:1s
- Applicant tracking system
- Policy templates
- Recognition
- Objectives and Key Results (OKRs)
- Performance reviews
- Feedback
- Letter templates
- Shout Outs (Peer to peer recognition)
- Custom surveys
- Learning management system (LMS)
- And so much more...



For more information on how we can help transform your business, book a demo today.

- AUSTRALIA
- NEW ZEALAND



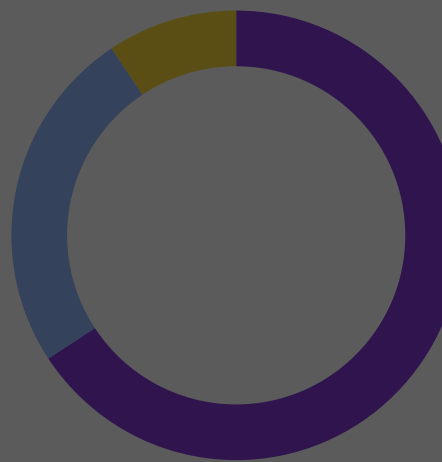
Approve Pay Run



Review Data



\$46,355.7



employmenthero

\$30,763.38

NET PAY

\$11,438.00

\$

Send Payslips

Pay Run Audit Report

Pay Schedule

All Pay Schedules



Pay Run

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This report was designed with love from the Design Studio and Marketing teams at Employment Hero.