Close to half of small business employees have experienced issues with their pay, Xero research finds

- 43 percent of Australian workers have had mistakes in their pay, increasing to 49 percent for small business employees
- 29 percent of small business employees have been paid late
- 45 percent have missed paying bills and mortgage repayments as a result of being paid late

MELBOURNE, THURSDAY, 26 SEPTEMBER 2019 – Xero, the global small business platform, has today released new research revealing that payday problems are widespread across Australia with 43 percent of workers experiencing issues with their pay, rising to 49 percent for those employed by small businesses.

The Xero survey of more than 1,000 Australian workers, conducted in partnership with Dynata, found that 22 percent of all respondents had been paid late. This increased to 29 percent for those employed by small businesses.

Of those who were paid late, 68 percent reported feeling stressed as a result, and 45 percent had missed payments for financial commitments such as household bills and mortgage repayments. While slightly more than two in five (43 per cent) felt less engaged and productive at work, and one in three (34 percent) considered leaving their job as a result of being paid late.

Other key findings from the research included:
- 46 percent of all workers, and 54 percent of small business employees believe improvements could be made to payment processes
- The number one improvement sought is to be paid on time (25 percent)
- The most common payment errors are incorrect salary payments (24 percent), late salary payments (22 percent), underpayment of salary (22 percent), and overpayment of salary (10 percent).
Matthew Prouse, Head of Industry at Xero Australia said: “There are a number of reasons why employees might be experiencing anomalies with their pay, but the majority of employers try to do the right thing when paying staff. Small businesses can sometimes have issues due to manual payroll processes, where the likelihood of error is much higher.”

Xero’s latest research findings coincide with the looming Single Touch Payroll (STP) deadline. From 1 October 2019, small business employers of all sizes will need to have complied with STP and commence digitally reporting employees’ payroll information to the Australian Taxation Office each time they pay their staff.

“Single Touch Payroll is a new way of working that will help small business owners to streamline their operations. It makes it easier for employers to do the right thing and will be a catalyst for greater accuracy, security and efficiency when paying employees.” Prouse added.

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About Xero
Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisors around the world. Xero provides its 1.8 million subscribers with connections to a thriving ecosystem of 800+ third-party apps and 200+ connections to banks and financial service providers. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the $200 million+ segment. Xero won ‘Bookkeeping software of the year’ from the Institute of Certified Bookkeepers UK in 2018, and was rated by Canstar Blue as the best accounting software in Australia from 2015-2018 and in New Zealand in 2019.