



Navigating Compliance Risks in School Workforce Management



Executive Summary

Australian schools face an unprecedented challenge at the intersection of teacher shortages, growing reliance on casual staff, and increasingly stringent payroll compliance regulations. From January 2025, directors and board members are personally liable – with criminal penalties – for payroll non-compliance, creating significant governance risks for school systems nationwide.

Key challenges include:

- Close to 20% of all employers either suspect or confirm payroll errors, and a third acknowledge that there have been issues in the past¹
- 77% of school leaders feel that they don't have adequate time to support effective teaching²
- Several recent high-profile cases have resulted in multi-million dollar back-payment obligations

School leaders must recognise that workforce management is no longer merely an administrative function but a critical governance concern that directly impacts educational outcomes, financial sustainability, and legal exposure. Schools that implement effective workforce management systems

can not only help significantly reduce compliance risks but also improve teacher satisfaction, reduce administrative burdens, and ultimately deliver better student learning experiences.

The benefits of effective workforce management:

- Countering workload stress, one of the top three factors in teacher early quitting³
- More consistent learning journeys with measurable academic improvements
- Addressing teacher absences that studies have shown can impact on student achievement.⁴

This white paper provides a roadmap for addressing these complex compliance risks while simultaneously improving operational efficiency and educational outcomes. We examine the legislative landscape, explore the unique challenges of managing casual teaching workforces, and outline practical technology-driven approaches that balance compliance requirements with educational priorities, casual teaching workforces, and outline practical technology-driven approaches that balance compliance requirements with educational priorities.

The Hidden Compliance Crisis in Australian Schools

A New Legislative Landscape

On 1 January 2025, Australia introduced landmark legislation that fundamentally altered the risk landscape for organisational governance. Board directors and executives are now personally liable, with criminal penalties possible, for payroll non-compliance. This shift mirrors the liability framework seen in workplace health and safety legislation – personal accountability cannot be limited by organisational structures.

These legislative changes emerged in response to high-profile underpayment cases across multiple sectors. The University of Melbourne's \$72 million wage repayment case and similar incidents at other major institutions demonstrate the financial and reputational damage of payroll errors⁵. For Australian schools – which operate under complex award structures, enterprise agreements, and employ a mix of permanent, part-time, and casual staff – the risk is particularly acute.

Achieving Educational Excellence Through Workforce Stability

While compliance requirements create urgency, there is also a more simple desire across schools: to find ways to improve educational outcomes by better managing teaching resources. For example, rather than putting out fires around staffing, principals would rather redirect their energy to instructional leadership – mentoring teachers, engaging with curriculum development, and fostering school-wide educational innovation.

Boards and educational leaders are keenly aware of the data that shows that schools with streamlined workforce management are linked to higher academic achievement. When relief teachers are properly matched to classroom needs, supported with appropriate resources, and integrated into school

communities, student learning continues with minimal disruption. So it's not just a matter of criminal liability – a school's reputation for excellence often comes down to this as well. It's just such a significant problem now that it's difficult to address.

The Scale of the Problem

Research reveals a sobering reality: approximately 20% of employers openly acknowledge potential payroll errors⁶. Given the severity with which regulation can address such mistakes, this presents a major risk that all leaders need to be aware of and take active steps to remedy.

Industry snapshot:

- The education sector faces significant wage underpayment challenges
- Challenges in management of casual pay rates and award conditions
- Schools manage casual relief teachers with varying qualifications, experience levels, and contractual arrangements.

We see three recurring payroll issues in schools:

- Incorrect staff classification
- Miscalculated entitlements like leave loading and higher duties
- Failure to manage multiple assignments across contracts correctly.

These errors often stem from outdated systems and the sheer complexity of award and Enterprise Agreements (EAs) interpretations.

Financial implications:

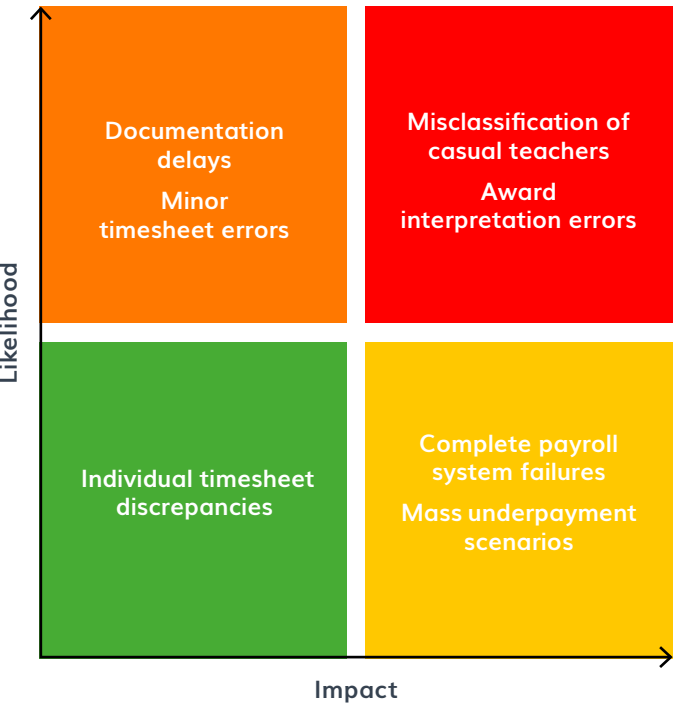
- In Government schools, staff wages typically account for up to 45.8% of recurrent school expenditure⁷
- Even minor compliance oversights can lead to substantial back-payment liabilities
- Criminal exposure for board members and school leadership who fail to ensure proper compliance controls are in place.

Impact on School Leadership

The burden of compliance doesn't just create financial and legal exposure – it fundamentally alters how school leaders spend their time. A 2022 Grattan Institute study found that 77% of school leaders feel that they don't have adequate time to support effective teaching.⁸ This represents a full day each week diverted from educational leadership, curriculum development, and student engagement.

For multi-campus school networks managing a large number of facilities across metropolitan and regional networks, this administrative burden multiplies across dozens of principals. The hierarchical decision-making structure of these systems – where individual school principals retain significant autonomy while still answering to central leadership – creates additional complexity in ensuring consistent compliance.

Compliance Risk Matrix



The Perfect Storm: Teacher Shortages and Casual Workforce Complexity

Growing Dependency on Casual Teachers

Australian schools are increasingly turning to casual staff to try and fill gaps in the number of permanent teachers. Universities currently graduate around 16,000 new teachers, but that creates a shortfall of 4,000 per year.⁹ With retirements expected to accelerate, that shortfall is going to become more critical.

This teacher shortage has forced schools to become increasingly reliant on casual relief teachers. A 2024 Australian Education Union survey found that when surveying South Australian schools, 76% of schools struggled with teacher shortages, leading to merged classes¹⁰, increased workloads for permanent staff, and occasionally unsupervised learning periods – all risky practices from both educational and compliance perspectives.

Government initiatives to address teacher shortages, while necessary, will take years to yield results. In the interim, schools must manage larger pools of casual staff, creating significant administrative and compliance burdens.

The Compliance Nightmare: Multiple Contracts, Multiple Roles

The complexity of managing casual teachers extends beyond simply filling vacancies. Many casual staff work across multiple schools, often within the same school system, creating what HR specialists call “multiple assignments” – a particularly challenging payroll scenario.

Consider a common example: a teacher who works three days per week as a permanent classroom teacher at one school, while also delivering two sessions of basketball coaching at another school in the same system. This teacher effectively holds multiple contracts with the same employer, each with potentially different pay rates, leave accrual systems, and terms of employment.

For payroll compliance, this creates tremendous complexity:

- **Different Award Interpretations:** The teaching work and specialist coaching work may fall under different sections of the educational awards or enterprise agreements.
- **Leave Accrual Variations:** Leave entitlements may accrue differently across different position types.
- **Time Recording Challenges:** Tracking work across multiple locations without centralised systems leads to reliance on manual processes prone to error.
- **Documentation Gaps:** Maintaining compliance records (Working With Children Checks, teaching accreditations, etc.) across multiple site-based filing systems creates risk of expired certifications.

The implementation specifically addressed:

- [illegible]

The Education-Specific Leave Management Challenge

Australian schools face a leave management challenge virtually unknown in other industries: mandatory closure periods during school holidays. Unlike businesses with continuous operations, schools must coordinate leave arrangements for hundreds of staff across predetermined closure periods, creating complex compliance scenarios that traditional HR systems struggle to manage. The educational calendar forces annual leave during designated periods while requiring careful tracking of minimum leave balances and award provisions.

Long Service Leave (LSL) also presents particular challenges in education, especially with multiple assignments. Teachers working across several schools within the same system over 10+ years may have LSL entitlements spanning multiple contracts and roles, creating calculation nightmares with significant compliance exposure. The compliance risk is substantial: mismanaging LSL for multiple assignment teachers can result in underpayment liabilities, especially given the increasing tenure of education professionals.

Overall, school leaders need to contend with leave management challenges that include:

- Forced annual leave during school holidays with complex balance tracking requirements
- Multiple assignment LSL tracking across different schools and roles within the same system
- Service break calculations for parental leave, study leave, or temporary role changes
- Pro-rata calculations for part-time teachers with varying workload percentages
- Mixed leave scenarios where teaching and non-teaching staff have different holiday patterns.



Workforce Scheduling: Meeting the Flexibility Challenge in Education

The traditional model of full-time, permanent teaching positions is evolving rapidly as schools adapt to changing workforce expectations. Teachers increasingly seek flexible working arrangements for parental leave transitions, career development, and work-life balance priorities. This creates unique scheduling challenges that extend beyond simple schedule management, requiring schools to accommodate fractional appointments, job-sharing arrangements, and complex work patterns across multiple roles and locations.

Creating and maintaining work schedules in traditional systems remains a time-consuming, manual process requiring specialist knowledge. HR teams spend countless hours manually creating schedules for different employment types, often duplicating work across multiple systems and increasing the risk of payroll errors. When teachers request schedule modifications mid-term, the manual rework required creates delays and potential compliance issues that can result in significant back-payment liabilities.

Key workforce scheduling challenges include:

- Parental leave transitions requiring reduced hours and flexible fractional appointments
- Manual schedule creation leading to inconsistencies and administrative burden
- Complex payroll integration, combined with manual data entry prone to errors and compliance risks
- Change management difficulties causing delays and potential payroll discrepancies
- Multiple campus coordination for teachers working across different school locations.



Beyond Compliance: Educational Impact of Workforce Mismanagement

The Student Achievement Gap

Research from Miller et al. has found that frequent teacher absences can have the effect of lowering student achievement.¹¹

When schools lack structured systems for managing relief teachers, this impact worsens as replacements lack context on student needs and curriculum progression. Schools with a high proportion of unstructured relief teaching, experience an increase in classroom behaviour incidents¹², as students struggle with inconsistent expectations and lack of rapport with substitute staff.

Research by Roger Goddard and other educational experts has found that collective teacher efficacy directly correlates to higher levels of overall achievement¹³, meaning that the teachers have a shared belief that they are positively impacting on student learning. Students, therefore, benefit most from consistent teaching relationships and clear expectations – exactly what is disrupted by poor relief teacher management.

Teacher Burnout and Retention

A 2023 NSW Department of Education report found that in primary schools, 40% of uncovered relief teacher classes had to be covered by full-time teachers, losing their planning periods.¹⁴ This creates a cascade of negative impacts:

- Permanent teachers lose critical preparation time
- Quality of subsequent lessons diminishes due to inadequate preparation
- Teacher stress and burnout increases
- Attraction and retention of quality staff becomes more difficult.

Studies from Monash University (2022) indicate that burnout was a significant risk to teacher turnover¹⁵, with one in five teachers planning on leaving the profession within five years. This creates a vicious cycle: more teachers leaving accelerates shortages, increasing casual staff needs, which amplifies compliance risks and management challenges.



Rural and Remote School Challenges

Many rural and remote schools unfortunately operate at an additional disadvantage. Challenges include:

- Attracting and retaining staff, more critical than casual teacher management solutions
- Facing the same compliance obligations but lacking resources of their metropolitan counterparts.

Opportunities for improvement:

- Cloud solutions now provide scalable solutions
- Practical for remote and smaller schools to leverage same solutions as larger schools
- Technology can help level the playing field.

The Cultural Challenge: Balancing School Autonomy with System Benefits

In February 2025, the Australian school list identified 10,870 schools registered in Australia through 14 school registration authorities. These schools span the 13 years of education and include:

- Government and non-government (private or independent) schools
- Faith-based schools (e.g., Catholic or Islamic schools)
- Schools that cater for students with special needs
- Schools based on educational philosophies (e.g., Montessori and Steiner schools).

The level of coordination and management varies significantly across this diverse landscape—from total autonomy in management practices and systems to centralised control across school operations, with most schools operating at various levels of autonomy between these two models. This variability can foster a siloed approach that creates compliance blind spots and reduces effectiveness in workforce management at a macro level.

Individual Schools

Multi-site school systems face a distinct cultural challenge in workforce management. Individual schools naturally develop preferences for “their” casual teachers—those who understand the school culture, know the students, and can step in seamlessly. School leaders are understandably reluctant to share these valued resources with other schools in their network.

However, this siloed approach reduces overall system effectiveness and creates compliance blind spots. In many cases, casual teachers bounce between schools without centralised visibility, creating situations where:

- Individual schools compete for the same limited pool of casual staff
- Teachers accumulate hours across multiple schools that can trigger different award conditions without tracking the total allowance
- Documentation verification can be duplicated unnecessarily across sites.

The opportunity to optimise casual teacher utilisation across geographic regions is lost. For multi-campus systems, balancing local school autonomy with the benefits of shared resources is a critical cultural challenge that must be addressed alongside technological solutions.

The Solutions: Compliance Without Complexity

Integrated Workforce Management

The heart of addressing casual teacher compliance challenges lies in modern tightly integrated solutions that can handle the complexity of educational awards and enterprise agreements while streamlining administrative processes. Effective solutions must deliver:

- **Award Interpretation Automation:** Systems that can translate complex award conditions into accurate pay calculations, particularly for staff working across multiple roles or locations. This is also relevant to teachers that are on contract for specific days at different schools with different rates.
- **Compliance Record Management:** Centralised tracking of teacher certifications, Working With Children Checks, and other mandatory credentials with automated notifications before expiry.
- **Cross-School Visibility:** The ability for system administrators to see the complete picture of staff allocations while still preserving appropriate school-level autonomy.
- **Real-Time Financial Oversight:** Dashboards providing immediate visibility into labour costs and resource allocation across all campuses, enabling data-driven staffing decisions.

While many systems claim to address these needs, schools should specifically evaluate how solutions handle education-specific scenarios such as:

- Relief teachers working across multiple schools
- Staff serving in both teaching and non-teaching roles
- Complex leave calculations for education-specific conditions
- Integration with existing timetabling and student management systems.

Structured Booking Systems: The Casual Teacher Experience

Technology solutions must address not just compliance but also the user experience for casual staff.

Effective booking systems should provide:

- Clear visibility of available assignments
- Simplified acceptance processes
- Convenient mobile access
- Automatic notification of cancellations or changes
- Digital check-in/check-out capabilities
- Immediate confirmation of payment details.

This turns casual staffing management from a compliance burden into a potential recruitment pipeline for permanent positions.

Implementation Strategies: Path Options for Schools

Workforce planning spans the range from strategic to very tactical, with both ends of the scale and all the pieces in between vitally important to the smooth running of a school. School leaders need to be able to understand how their workforce is evolving, where their talent is being developed and linking this to fluctuating student intakes. Schools approach workforce compliance technology implementation from different starting points and with varying requirements. Based on their current system maturity, two primary pathways exist:

Path 1: Full System Replacement

This approach delivers maximum compliance benefits, financial visibility, and operational efficiency by bringing together all workforce management functions into a single platform. It provides:

- End-to-end accountability
- Comprehensive risk mitigation
- Operational simplicity through system consolidation
- Single source of truth for all staff-related data.

Best suited for schools with:

- Outdated payroll systems
- High risk tolerance
- Flexible budgets
- Strong implementation capacity.

Path 2: Overlay Solutions

For schools with established payroll systems that work effectively, this approach allows preservation of existing investments while enhancing compliance capabilities:

- Retains current payroll processing
- Adds improved casual staff management
- Enhances compliance tracking and documentation
- Creates pathway for potential future integration.

Best suited for schools with:

- Capable existing systems
- Budget constraints
- Limited implementation capacity.

Decision Framework

The appropriate path depends on a school's specific context:

System Maturity Assessment:

- Current payroll system capability and age
- Integration complexity with existing school systems
- Data quality and compliance tracking capabilities.

Organisational Readiness:

- Available budget for technology investment
- Internal capacity for managing implementation projects
- Risk tolerance for system disruption during transition
- Governance requirements and board expectations.

Strategic Considerations:

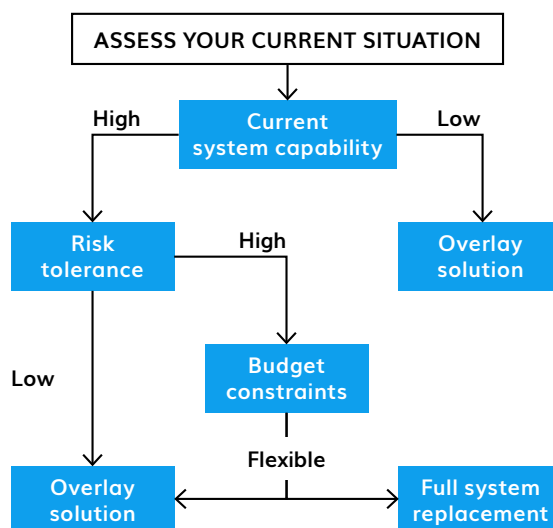
- Timeline requirements for compliance improvements
- Long-term technology strategy and growth plans
- Stakeholder expectations and change management needs.

Business-Led Implementation Approach:

Regardless of the chosen path, successful workforce management implementations require strong business leadership rather than technology-driven approaches. School leaders must:

- Define Clear Objectives: Establish specific compliance, efficiency, and educational outcome goals
- Engage Stakeholders: Involve principals, HR teams, and board members in solution design
- Ensure Change Management: Prepare staff for new processes and system interactions
- Measure Success: Track both compliance metrics and educational impact indicators.

The technology serves the business strategy, not the reverse. Schools that approach workforce management as a business transformation – with technology as an enabler – achieve better outcomes than those focusing primarily on system features.



Measuring Success: Workforce Management Metrics

Schools implementing workforce compliance solutions should track specific metrics to evaluate effectiveness – not only to ensure that the solutions are delivering as intended, but to also demonstrate to the boards and leadership that these potential compliance challenges are being addressed. It is important to track a broad suite of metrics, including:

Compliance Metrics:

- Reduction in payroll queries and corrections
- Percentage decrease in manual award interpretations
- Certification currency rates (Working With Children Checks, teaching accreditation)
- Audit findings and remediation timeframes.

Operational Metrics:

- Time saved on administrative tasks per school
- Relief teacher fill rates
- Permanent teacher planning time preservation
- Decrease in merged or unsupervised classes.

Staff Experience Metrics:

- Relief teacher retention rates
- Conversion rates from casual to permanent positions
- Staff satisfaction scores
- Reduction in HR queries related to pay or assignments.

Educational Impact Metrics:

- Student attendance during relief teacher coverage
- Behaviour incident rates during teacher absence periods
- Parent satisfaction with teaching consistency
- Academic outcome stability despite staff changes.

By tracking these metrics, schools can demonstrate the full value of their compliance investments beyond simple regulatory adherence.



From Compliance Burden to Strategic Advantage

Australian schools face unprecedented compliance challenges that, if left unaddressed, threaten both financial stability and educational outcomes. The combination of teacher shortages, increased reliance on casual staff, and heightened compliance obligations creates significant risk for school boards and leadership teams. However, forward-thinking schools are transforming this challenge into an opportunity to improve their overall workforce approach.

By implementing structured workforce management systems that address the unique complexities of school staffing – particularly casual teacher management – school systems can:

- **Reduce compliance risks** through automated award interpretation and centralised credential tracking
- **Improve teacher satisfaction** by streamlining administrative processes and providing better assignment experiences
- **Enhance educational continuity** with more reliable casual staffing coverage and reduced disruption
- **Strengthen governance** through improved visibility and reporting for board oversight
- **Create financial sustainability** by protecting against compliance penalties and back-payment liabilities.

Schools that make this transition effectively will be better positioned to attract and retain quality staff, deliver consistent educational experiences, and fulfil their governance obligations in a changing regulatory landscape.



Action Checklist

Conduct Immediate Compliance Audit	Review all casual teacher contracts and payroll processes for potential errors. Given the January 2025 personal liability laws, this is critical for board protection.
Add Workforce Compliance to Board Risk Register	Establish formal board oversight with dedicated subcommittee and regular reporting on payroll compliance risks.
Map Multi-School Teacher Assignments	Document all casual teachers working across multiple locations to identify complex award interpretation challenges and potential underpayment risks.
Verify All Staff Certifications	Audit Working With Children Checks and teaching accreditations. Set up automated expiry notifications to prevent compliance gaps.
Evaluate Technology Solutions	Assess whether to upgrade payroll systems or overlay workforce management tools. Focus on education-specific award automation.
Measure Current Administrative Burden	Track how much principal time is spent on staffing issues (currently averaging 20%) to establish baseline for improvement.
Implement Structured Casual Teacher Booking	Deploy digital systems for relief teacher assignments with clear visibility and mobile access to reduce turnover and improve coverage.
Establish Success Metrics	Track payroll error rates, teacher satisfaction, student attendance during absences, and administrative time savings.
Create Compliance Accountability Framework	Define clear executive responsibility for ongoing compliance management with regular audit and review cycles.
Focus on Educational Outcomes	Ensure workforce improvements directly support better student learning by reducing classroom disruptions and teacher burnout.

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