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Human Capital Management
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## The Great Payroll Hunt
How Australia's Businesses Are Fighting for Talent in a Crisis Market

Whitepaper

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The numbers tell a stark story. While there are no payroll-specific hiring statistics available, broader finance and administrative recruitment data suggests it now takes around 26 days on average to fill these types of roles in Australia, up from 24 days the previous year. When you factor in the typical 2-4 week notice period required for most professionals in this field, businesses may be facing a total of 6-10 weeks from job posting to start date. And that does not include more senior roles. In a competitive market where every day matters, these inferred timelines highlight a growing challenge for employers seeking payroll talent. In a market where each day counts, this isn't just inconvenience; it's crisis territory.

Payroll vacancies are becoming increasingly challenging to fill, highlighting a scarcity of available talent, and that's reshaping how Australian businesses approach recruitment and retention.

This isn't merely a talent crunch; it's a structural labour market shift. Welcome to the payroll skills shortage, where compliance complexity is outpacing education pipelines, and employers are being forced to rethink how they attract, develop and retain payroll professionals.

## Understanding the Skills Gap

Jobs and Skills Australia's 2024 Occupation Shortage List confirms what businesses already know: the payroll profession is critically under-supplied. It ranks amongst the most acutely impacted white-collar fields, alongside data analysts, project managers and cybersecurity specialists.

The reasons are multifaceted. The evolution of payroll into a multi-disciplinary profession part legal, part technological, part operational, means that today's roles demand more than process proficiency. They require fluency in Fair Work obligations, modern award interpretation, single-touch payroll, superannuation legislation, data integrity, enterprise systems and risk management.

Few professionals enter the workforce already equipped to meet this bar. The journey from novice to payroll leader now spans much more than a certificate, creating a pipeline bottleneck that's affecting businesses nationwide.
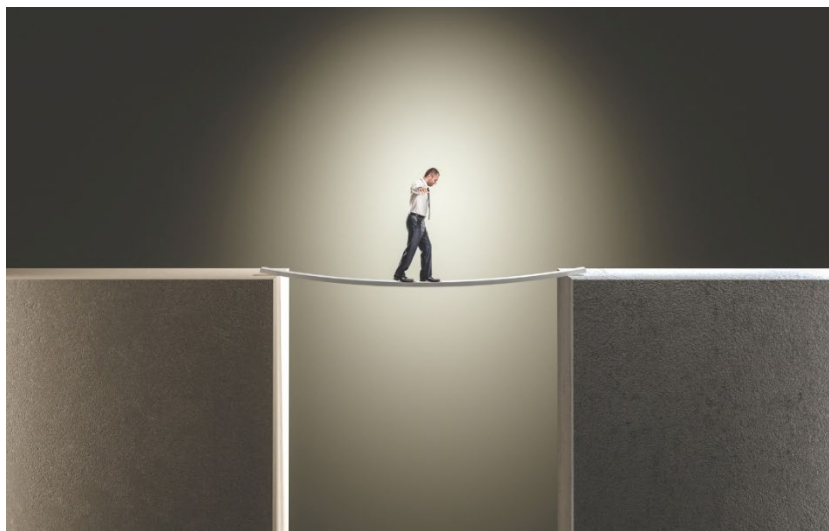
## Laying the Groundwork: Formal Qualifications Remain Essential

Australia's payroll education framework is well established and rightly respected. The Australian Payroll Association (APA), a pioneer in professional education for the sector, offers the Certificate IV in Payroll Administration (11101NAT) and Diploma of Payroll Management (11102NAT) nationally recognised qualifications that form the bedrock of payroll capability in Australia.

These programmes, along with others offered by TAFE providers and RTOs, are rigorous and comprehensive. They provide essential legal, operational and systems-based knowledge critical for payroll professionals at all levels. However, in a rapidly evolving regulatory and technological environment, there's growing recognition that foundational qualifications must be accompanied by faster, complementary learning models.

## The Micro-Credential Advantage

Micro-credentials short-form, modular learning represent an emerging opportunity for payroll skills development. The Australian Government is currently piloting micro-credentials in higher education from 2023-24 to 2025-26, whilst professional bodies like CPA Australia have demonstrated how focused courses of 4-20 hours can deliver targeted capability building.

In a payroll context, this model could offer targeted solutions to emerging needs: navigating STP Phase 2, applying new state-based long service leave legislation, or understanding updates to superannuation guarantee thresholds. Queensland's Department of Trade, Employment and Training notes that micro-credentials provide opportunities to support changing workplaces by providing focused training for new and transitioning employees.

Where formal training delivers deep knowledge, micro-credentials could offer speed and specificity for rapid compliance updates. They may be particularly valuable for finance, HR or IT professionals who interact with payroll systems but don't require full certification.

If developed with recognised standards and industry consultation, including APA input, micro-credentials could become a valuable complement to Australia's established payroll education framework.

## Breaking Down Functional Walls

Payroll is no longer an island. In today's businesses, it intersects with finance, human resources, IT and compliance. Progressive organisations could respond by fostering cross-functional capability. Rather than restricting payroll expertise to a standalone team, they could focus on building broader operational literacy.

This could take the form of internal rotation programmes, shared training initiatives, or multi-disciplinary task forces that approach payroll as part of strategic workforce management.

The evidence supports this approach. According to feedback from leading employers surveyed by the Institute of Public Accountants in 2024, cross-functional teams reduce error rates and increase compliance accuracy –particularly in sectors with complex EBAs and shift-based rosters. This finding provides concrete justification for organisations considering broader integration strategies.

## Learning by Doing: Apprenticeships Make a Comeback

Formal apprenticeships are making a practical return to payroll, with several TAFE providers - including TAFE Queensland and North Metropolitan TAFE - offering blended work-study pathways for new entrants. These programmes allow learners to gain real-world experience whilst earning income and provide employers with hands-on support whilst building future capability.

Mentoring emerges as a critical success factor. The most effective apprenticeship programmes pair new entrants with seasoned professionals, creating two-way value: knowledge transfer on one side, and leadership development on the other.

Structured on-the-job learning isn't new but it's increasingly essential in a profession where most challenges arise outside the textbook.

## Rethinking Delivery: Engagement Drives Retention

Today's learners are wired differently. According to Deloitte's 2024 Global Human Capital Trends report, workers under 35 prefer self-directed, tech-enabled learning environments that offer immediate feedback and contextual relevance.

For payroll, this opens the door to more dynamic learning models, such as interactive simulations, award interpretation games, mobile-enabled checklists and scenario-based problem-solving. These tools aren't gimmicks; they're delivery methods that reflect how modern professionals actually absorb information.

By retaining educational rigour whilst elevating delivery design, employers can improve engagement, retention and capability development simultaneously.



## Technology Isn't Replacing Payroll, It's Rewriting the Job

Automation has transformed payroll, but not in the way many feared. Instead of making roles redundant, it has elevated them. Tasks once handled manually, like data entry, compliance flagging, basic reconciliation, are now performed by systems. What remains is the high-value work: interpretation, exception handling, strategy and stakeholder engagement.

This technological shift directly contributes to the skills shortage by creating demand for higher-level capabilities whilst reducing entry-level opportunities. The result is a talent bottleneck that requires strategic intervention.

For organisations, this presents a dual opportunity. First, to upskill existing payroll teams so they can take on broader, strategic mandates. Second, to attract talent by reframing payroll as a dynamic, multi-disciplinary career path. One that spans technology, policy and people management.

Those who grasp this shift will be best placed to recruit and retain top payroll talent.

## From Crisis to Capability: The Path Forward

Australia's payroll talent shortage is real, but solvable. The evidence points to a multi-pronged approach that builds on existing strengths whilst addressing current gaps.

The pathway forward includes:
- Supporting formal education pathways such as the APA's nationally recognised qualification
- Accelerating short-form, job-specific training through quality-assured micro-credentials
- Embedding practical learning via apprenticeships and mentoring
- Encouraging cross-functional exposure to broaden understanding and integration
- Leveraging technology-enabled learning to match modern learning habits

This is not about replacing existing models; it's about building on them. It's about accelerating skills development, not abandoning rigour. And most importantly, it's about recognising payroll as a core organisational function worthy of strategic investment.

The skills shortage has made one thing clear: payroll matters. To the business, to the workforce and to the broader economy.

The hunt is on, but with the right approach, the prize is within reach.

Don't let data complexity and analysis challenges slow you down. Discover how our solutions can streamline your data analytics, keep your insights accurate, and give you the confidence to make informed decisions. Visit www.frontiersoftware.com to learn more

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Frontier Software is a leading software and services organisation specialising in digital transformation for payroll and HR solutions. With over 40 years of industry experience, our comprehensive solutions are trusted by businesses across the globe. Our expert team is dedicated to helping organisations streamline their payroll and HR processes, ensuring compliance, accuracy, and efficiency. Looking to enhance your payroll and HR processes? We can help you optimise your existing Frontier Software solution or create a completely new system tailored to your business needs.

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Michael Howard, Founder