

PAYROLL DEDUCTIONS EXPLAINED



Deductions over the first 12 weeks of employment

To help make your arrival in Australia easier, your employer has paid for some items in advance. You will be required to pay back these costs.

Generally, these costs are paid back to your employer through deductions from your pay over the first 12-16 weeks. It is spread out over several pay periods, to make sure you still have enough money left to cover your ongoing living expenses.

It is important to understand that for the first 12 weeks (or longer), you may not have enough extra money in your pay to send money home.

THE DEDUCTIONS ARE EXPLAINED IN YOUR LETTER OF OFFER, AND MAY INCLUDE:



The cost of your flight to Australia and transport costs from the airport to your accommodation and workplace.



Visa application costs.



Pre-employment costs, such as medical examinations, vaccinations or drug tests.



A small cash advance to help get you get set up before your first pay.



Ongoing deductions from your pay

Even after the first 12 weeks and initial costs have been re-paid, there will be some ongoing expenses that your employer will deduct from every pay.

The cost of initial and ongoing expenses (deductions) will differ across Australia, between employers and perhaps even among members of the same team, depending on the situation.

EXAMPLES OF ONGOING DEDUCTIONS MAY INCLUDE:



Accommodation (and sometimes bond), if arranged by your employer.



Health insurance (a requirement of your visa).



Meals (if provided).



Transport costs (to get to work and back, and sometimes for personal use).



Household bills such as utilities (electricity, gas, water), internet, furniture, and household cleaners and gardeners. Note this amount may be included in your weekly rent or it may be listed as a separate cost and deduction.



Other things you need to know

- You may be paid weekly, fortnightly (every 2 weeks) or monthly – your Letter of Offer will include this information.
- You may have to wait 1 to 2 weeks before you receive your first full pay.
- Your employer may wait until you receive a full pay before starting deductions.
- Some employers may give you a longer period to pay back the deductions.
- Each deduction amount needs to be shown on your pay slip.
- If you have time off work (sick or annual leave) before you have built up enough paid leave, your pay may be reduced.

If you have any questions about your pay or deductions, please ask your employer.

IMPORTANT

Your employer can only deduct money from your pay that you have agreed to in writing and is for your benefit. Keep a copy of any forms you sign for your own records and to assist if you have any questions.

Actual deductions may be different from your Letter of Offer

Sometimes the actual cost of something is not known before you arrive in Australia. For instance, accommodation and flights are booked by your employer once your visa is approved, so the amounts included in your Letter of Offer are estimates (a rough calculation).

When you start work your employer will give you a new payroll deduction form (or Letter of Offer with deduction amendments) which outlines actual costs and actual deductions for you to sign. Make sure you understand all the changes before you sign.



Transport

The cost of transport to get to and from work will be different for each worker and in each location of Australia.

Your employer may arrange transport for you – to and from work or you may use public transport, a bicycle or organise your own vehicle.

If you hire a vehicle from your employer, you will not own the vehicle at the end of your contract. The cost of hiring the vehicle covers: running costs (insurance, registration, parts and maintenance). Paying for the fuel (average weekly cost of fuel ranges between \$50 to \$150 per week) may be extra that you need to pay or could be included. Check with your employer.

You have the right to choose your own transport arrangement once you are established in Australia.



Accommodation

Your employer will try to find accommodation that is reasonably priced, and close to your workplace, but this depends on what is available in the town at the time.

The cost of housing can be different depending on factors such as your location, the size and type of your accommodation, the inclusion of furniture, internet or utilities. This may mean you pay a different amount to other people in your team.

You have the right to choose your own accommodation once you are settled in Australia, however if you are planning to move out, you need to tell your employer ahead of time. Your employer will let you know how many weeks notice you need to give before moving out.

Most accommodation includes a bond payment at the start. If you damage the property this bond can be used to cover the costs of repairs.

What to do if you don't understand your pay slip

Speak to your employer first. If you have further questions try these other options:

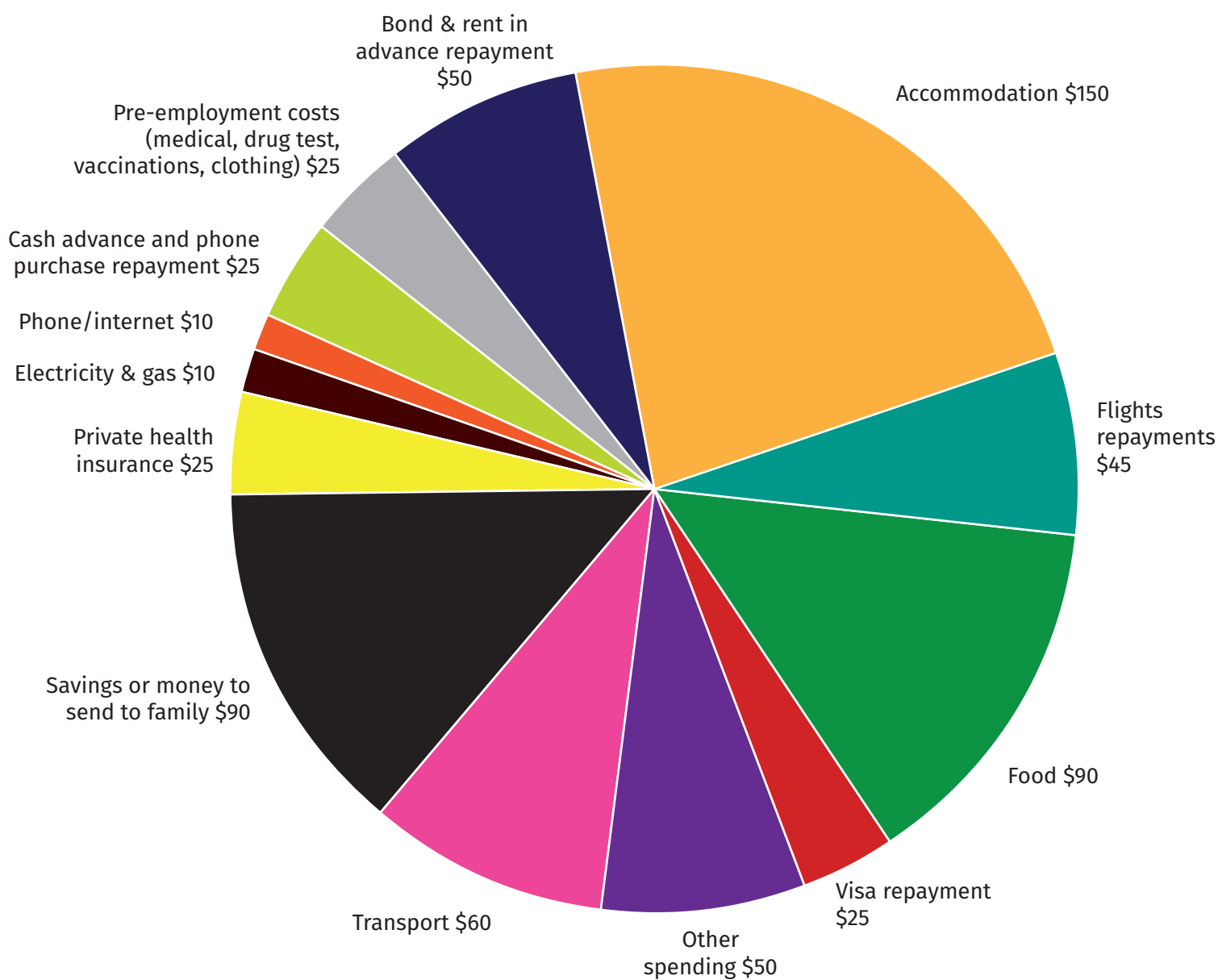
1. Speak to your Liaison Officer or LSU representative.
2. Contact the Pacific Labour Facility Worker Welfare Hotline: 1800 51 51 31 (24-hour, free call).
3. Contact the Fair Work Ombudsman (an independent statutory office of the Australian Government that provides free help). Phone: 13 13 94. For information on deductions see: <https://www.fairwork.gov.au/pay/deducting-pay-and-overpayments>

EXAMPLE OF WEEKLY COSTS

The diagram below shows an example of costs and expenses – based on average weekly earnings. Please note these are examples only and amounts will be different depending on a range of factors such as your role and pay rate, location, living arrangements and personal budget.

Diagram 1

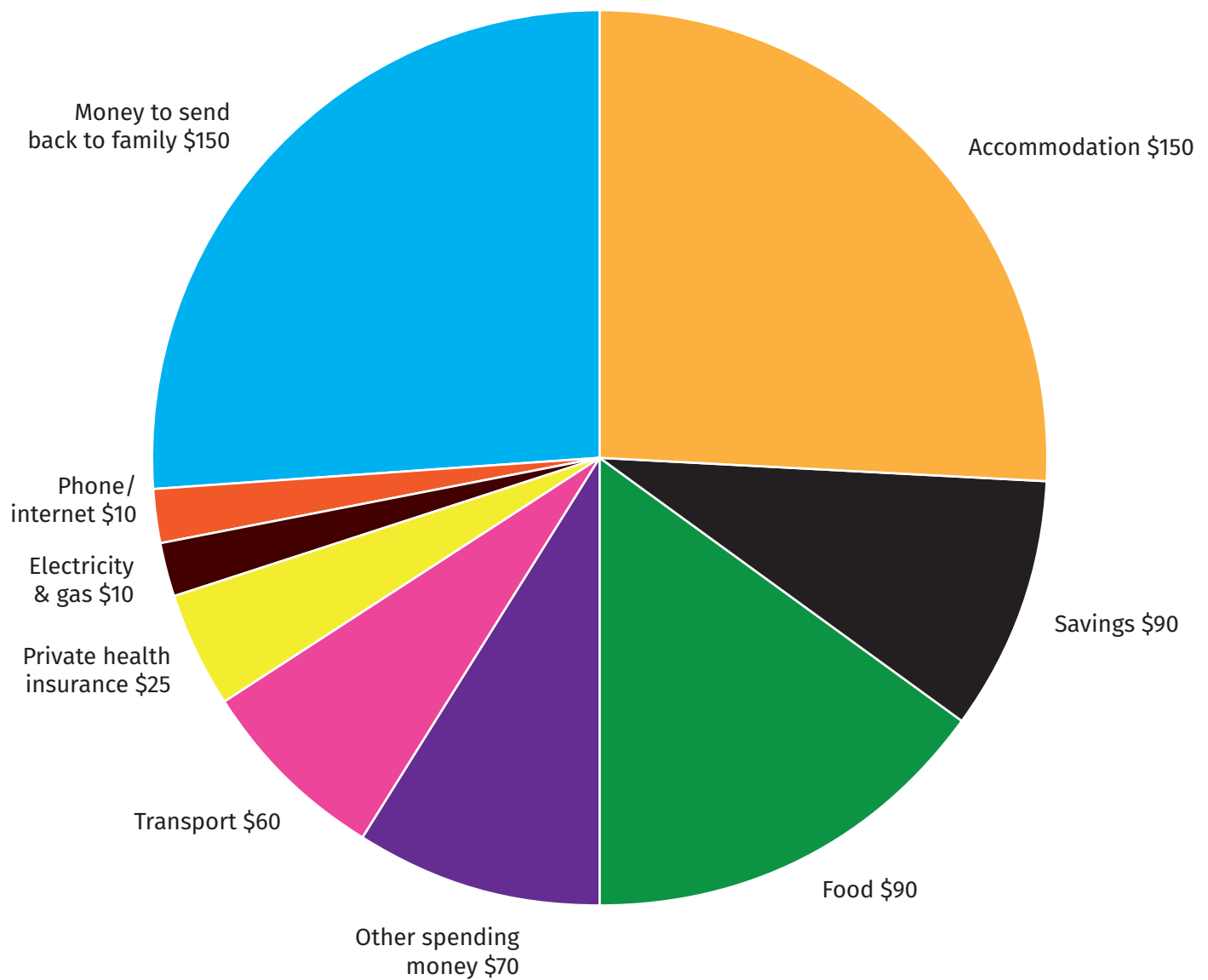
An example of the weekly cost of living in Australia based on national minimum wage for a full time worker \$753.80 (gross) or \$656.80 (after tax)*. **This includes deductions to repay initial set up costs.**



* Rates current as at 1 July 2020 and are subject to change.

Diagram 2

An example of the weekly cost of living in Australia based on national minimum wage for a full time worker \$753.80 (gross) or \$656.80 (after tax)*. **This shows costs after all initial set up costs have been repaid.**



* Rates current as at 1 July 2020 and are subject to change.