

Payroll deductions explained

A guide for PALM scheme workers



Deductions when you start working

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 to your employer.

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 12-16 weeks (or longer), you may not have enough extra money in your pay to send money home.

THE DEDUCTIONS ARE EXPLAINED IN YOUR OFFER OF EMPLOYMENT, 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 12-16 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.

IMPORTANT



If you work in horticulture the hours you work may be affected by the harvest. Your employer will change your deductions so you have enough money for food and living. You may not be able to send money home to your family during this time.



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

Wages and things you need to know

- You may be paid weekly, fortnightly (every 2 weeks) or monthly – your offer of employment 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.

Leave and entitlements

Your pay may be reduced if you have time off work. Full-time and part-time workers are entitled to sick leave and annual leave, and this leave builds up over time. Casual workers may take time off work if sick, but are not entitled to paid sick leave, nor do they build up annual leave.

Paid annual leave

- Full-time workers: 4 weeks per year (20 working days).
- Part-time workers: 4 weeks per year (adjusted to part-time hours per week).
- Casual workers: none.

Paid sick leave

- Full-time and part-time workers: 10 days per year.
- Casual workers: none.

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 offer of employment

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 offer of employment are estimates (a rough calculation). Therefore, the deduction amounts may change based on actual costs for transport and accommodation. These will be confirmed once you are in Australia. When you start work your employer will give you a new payroll deduction form (or offer of employment 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.

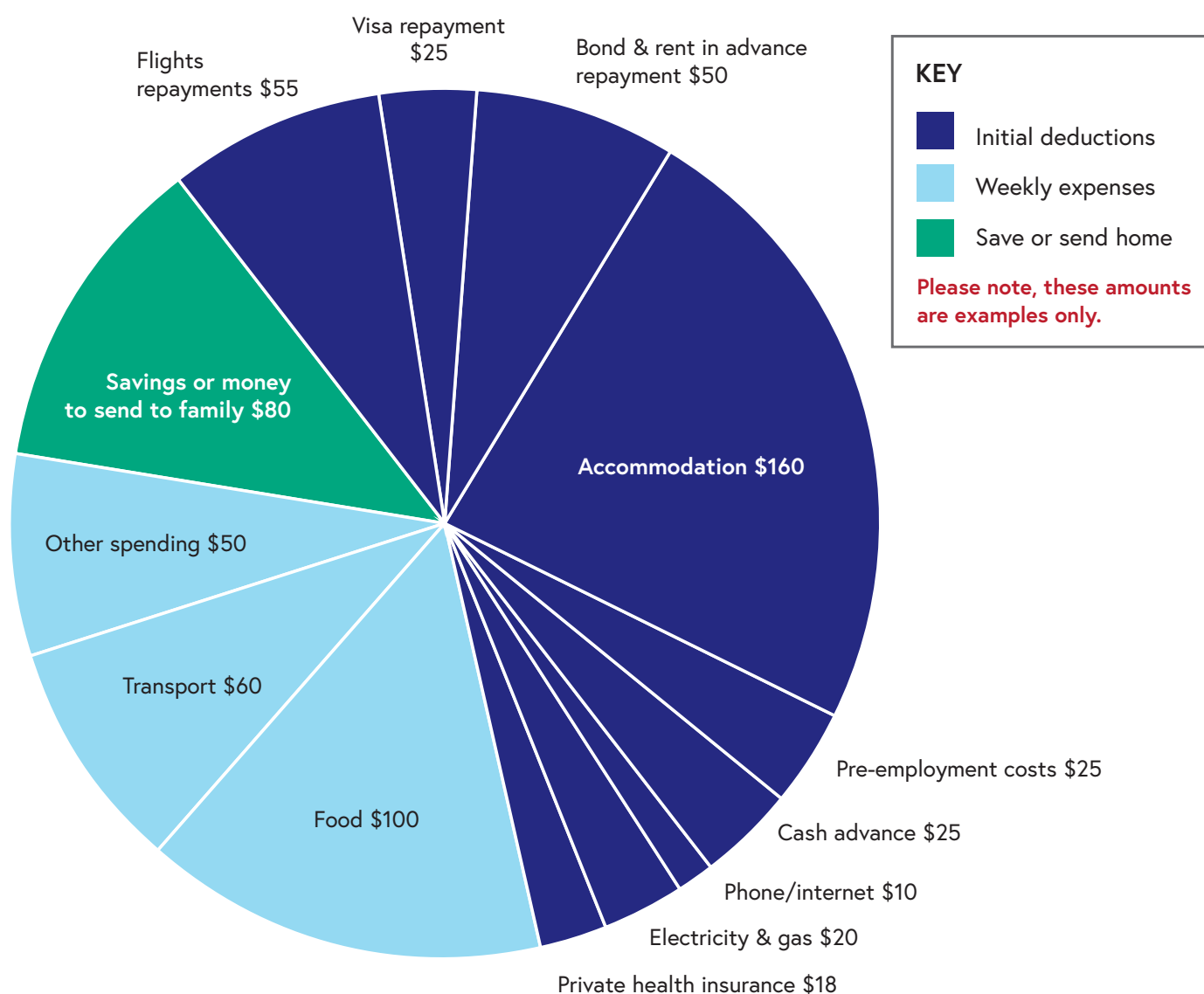
Examples of weekly costs

The diagram below and on page 4, 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.

DEDUCTIONS IN THE FIRST 12-16 WEEKS OF WORKING

The diagram below shows the deductions from your weekly wages, to repay initial set up costs such as: flights¹ visa application, pre-employment costs and a cash advance. These costs are paid back to your employer through deductions from your pay over the first 12-16 weeks.

The example is based on a national minimum wage for a full time worker of \$772.60 (gross) or \$678.00 (after tax)².



1. Please note, the cost of flights are different from each country to Australia.

2. Rates current as at 1 July 2021 and are subject to change.

Expenses after all initial set up costs have been repaid

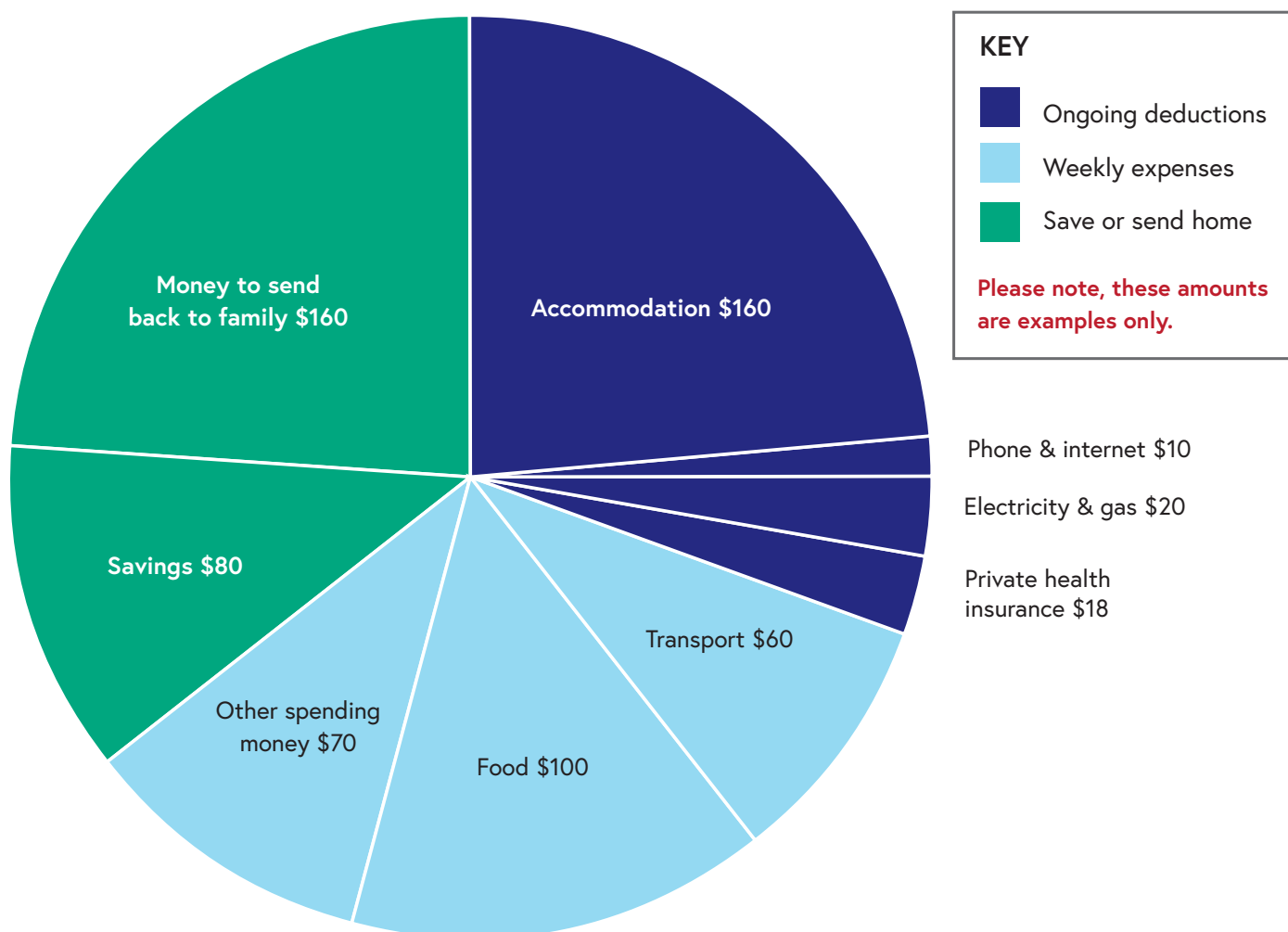
The cost of living in Australia may be more expensive than in your home country. Be prepared to pay more for everyday items such as food, accommodation and transport.

The diagram below will give you a better idea of your ongoing weekly costs - after the initial set up costs have been repaid.

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.

ONGOING WEEKLY COST OF LIVING IN AUSTRALIA

The calculations below are based on national minimum wage for a full time worker \$772.60 (gross) or \$678.00 (after tax)*.



* Rates current as at 1 July 2021 and are subject to change.

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 PALM support service line at 1800 51 51 31 (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>


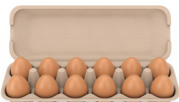
































Cost of living in Australia

The cost of living in Australia may be more expensive than in your home country. Be prepared to pay more for everyday items such as food, accommodation and transport.

Below is a list of basic grocery items available in Australian supermarkets. Please note: this list is a rough guide only. The prices of different items will vary depending on your location, the season and availability.

You can use this list to create a weekly budget. It is sometimes cheaper to buy goods in larger quantities. You may also want to use an online currency conversion tool (for example: www.oanda.com), to work out how much these items would cost in your currency!

Sample cost of items from an Australian supermarket					
Item: Milk, 2L Cost: \$2.80		Item: Eggs, one dozen Cost: \$4.00-\$7.00		Item: Butter, 250g Cost: \$3.00-\$5.00	
Item: Potatoes Cost: \$3.00-\$5.00 per kg		Item: Sweet potatoes Cost: \$3.00-\$5.00 per kg		Item: tomatoes Cost: \$8.00-\$10.00 per kg	
Item: Carrots Cost: \$2.00 per kg		Item: Cabbage, whole Cost: \$7.00		Item: Frozen vegetables, packet Cost: \$3.00-\$5.00 per kg	
Item: Chicken (whole raw) Cost: \$7.00-\$10.00		Item: Bread, 700g loaf Cost: \$3.00-\$5.00		Item: Apples Cost: \$3.00-\$5.00 per kg	
Item: Tinned corned beef, 340g Cost: \$2.50		Item: Flour, 1kg Cost: \$1.50		Item: Orange juice, 2L Cost: \$5.00	
Item: Beef Cost: \$16.00-\$26.00 per kg (depending on the cut of meat)		Item: Canned tuna, 95g Cost: \$1.00		Item: Bananas Cost: \$2.00-\$5.00 per kg	
Item: Sausages Cost: \$12.00-\$14.00 per kg		Item: Mince meat Cost: \$13.00-\$19.00 per kg		Item: Fish, barramundi Cost: \$18.00-\$25.00 per kg	
Item: Rice Cost: \$2.00 per kg		Item: Instant noodles, 5 pack Cost: \$4.00		Item: Tea bags 100 pack Cost: \$3.00-\$5.00	
Item: Pasta, 500g Cost: \$1.50		Item: Canned beans, 400g Cost: \$2.00		Item: Instant coffee, 200g Cost: \$8.00	
Item: Toilet paper, 20 pack Cost: \$12.00		Item: Laundry detergent, 1L Cost: \$3.00		Item: Toothpaste, 140g Cost: \$2.50	
Item: Shampoo 350ml Cost: \$6.00		Item: Soap 5 pack Cost: \$4.00		Item: Deodorant, 250ml Cost: \$4.50	