

Payroll deductions explained

A guide for PALM scheme workers



Deductions when you start working

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

These costs are usually paid back to your employer through deductions from your pay over the first 12-16 weeks. This 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 repaid, 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



Your employer can only deduct money from your pay that you have agreed to in writing and if it 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 differ from your offer of employment

Sometimes the actual cost of something is not known before you arrive in Australia, e.g. accommodation and flights are only booked by your employer *after* your visa is approved, so the amounts included in your offer of employment are just rough estimates. The deduction amounts may change based on actual costs, and 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) to sign which outlines *actual* costs and deductions. You need to agree to any new or changed deductions. Make sure you understand all the changes before you sign. If you don't understand your new offer of employment, please speak with your team leader or employer. You can also contact the PALM scheme support service line on (1800 51 51 31), call the Fair Work Ombudsman (13 13 94) or your union if you are a member.

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.

What you need to know about your wages

- You may be paid weekly or fortnightly (every 2 weeks) - your offer of employment will include this information.
- You may have to wait 1 - 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 do not get paid sick leave and do not build up annual leave. Below are your annual leave and sick leave entitlements.

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.



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

Transport

The cost of transport to get to and from work will be different for each worker and in each location in Australia. Your employer may arrange transport for you to travel to and from work or you may use public transport or 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.

All transport arranged by your employer should be safe and reasonably priced. You have the right to choose your own transport arrangement once you are established in Australia.

Accommodation

Your employer will seek to find accommodation that is safe, the most affordably priced, and close to your workplace, but this depends on what is available nearby 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.

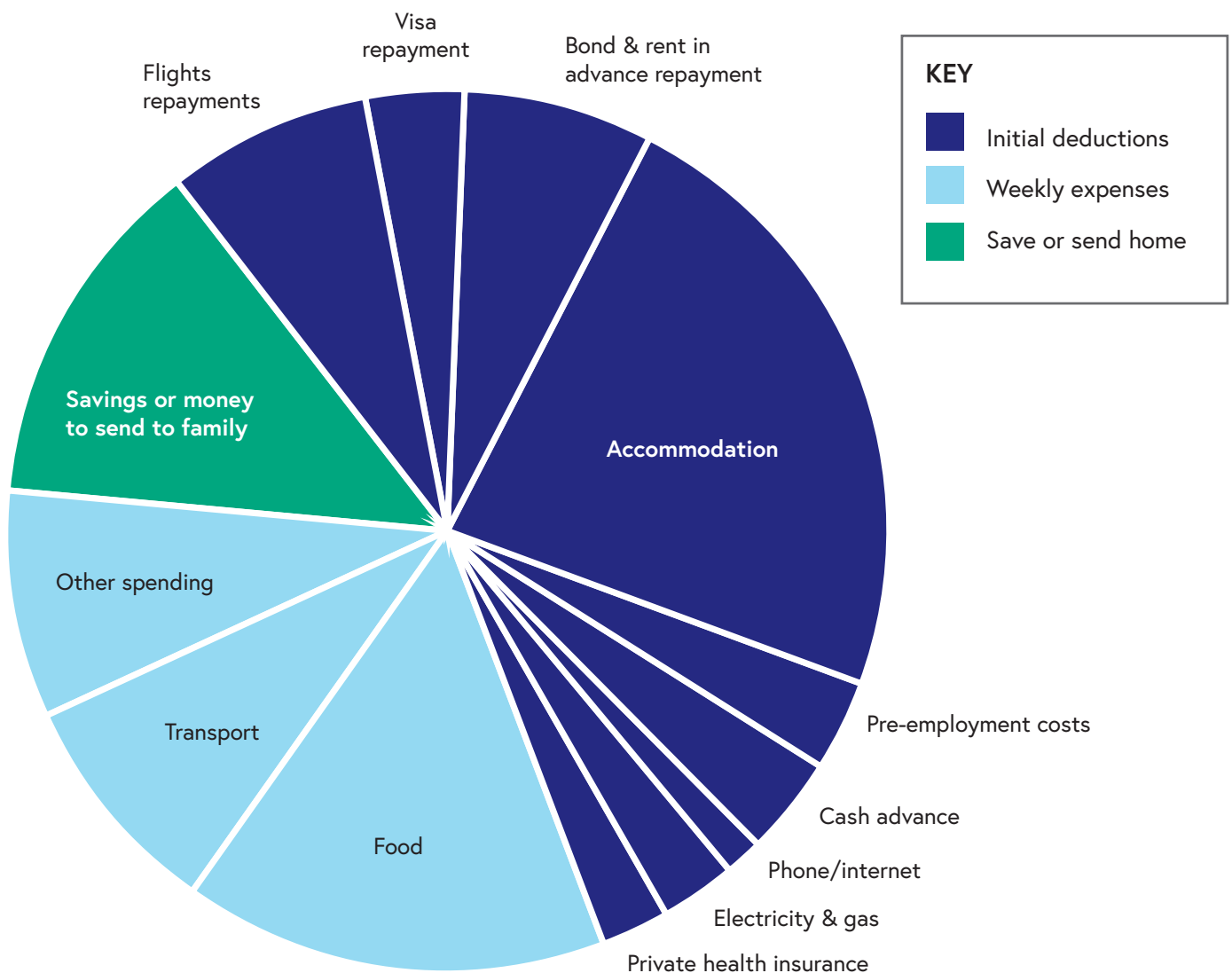


Examples of weekly costs for workers

Deductions in the first 12-16 weeks of working

The diagram below shows rough estimates of the types of deductions that may come out of your weekly wages to repay initial set up costs such as: flights¹, visa application, pre-employment costs and a cash advance. The diagram shows the proportion of money typically spent on each item.

These costs would be paid back to your employer through deductions from your pay over the first 12-16 weeks.



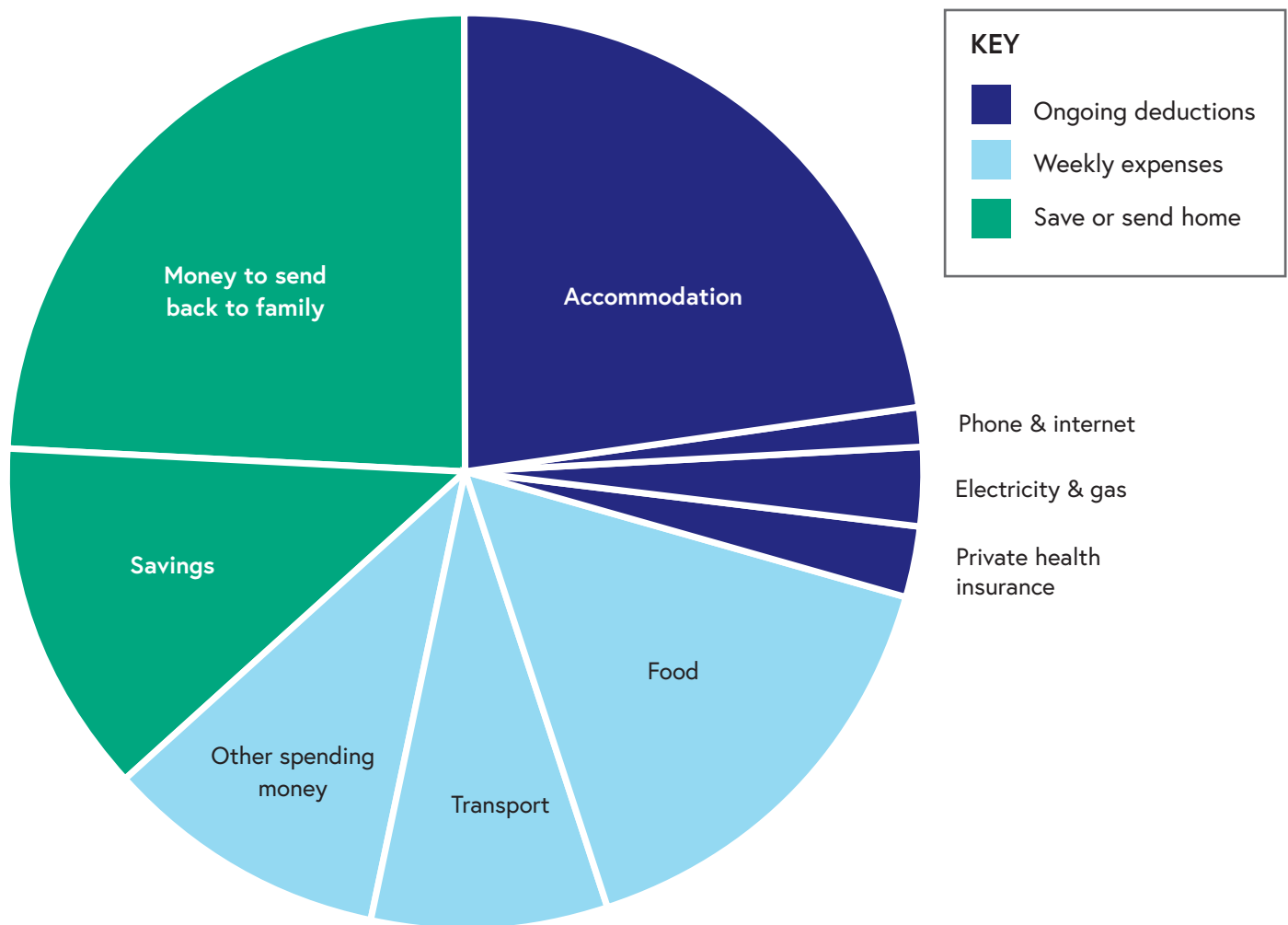
1. Please note, the cost of flights to Australia are different from each country.

Examples of weekly costs for workers

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 you have repaid the initial setup costs. The diagram shows the proportion of money typically spent on each item.



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 country liaison officer or Pacific or Timor-Leste labour sending unit representative.
2. Contact the Pacific Australia Labour Mobility (PALM) scheme support service line on (1800 51 51 31 - free call).
3. Contact the Fair Work Ombudsman (an independent office of the Australian Government that provides free help) on (13 13 94). For information on deductions see: <https://www.fairwork.gov.au/pay/deducting-pay-and-overpayments>.
4. Contact your union if you are a member.



































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 (e.g. 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	