

A photograph of two koalas is the central focus. One koala is in the foreground, looking towards the camera, while a smaller koala is perched on its back. They are both clinging to a tree trunk. The background is a soft-focus natural setting. A large teal geometric shape, resembling a stylized mountain range or a series of overlapping planes, is overlaid on the bottom half of the image, containing the text.

COUNTRY GUIDE: AUSTRALIA

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<https://zapeo.net/australia/>

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ABOUT US

ZAPEO is an International PEO co-employer providing Employer of Record (EOR) Services in more than 113 countries around the world.

As an EOR, we provide employment contracts, payroll employees, pay over any taxes and statutory contributions and provide sponsorship for visa applications in order to comply with specific laws and regulations in the country.

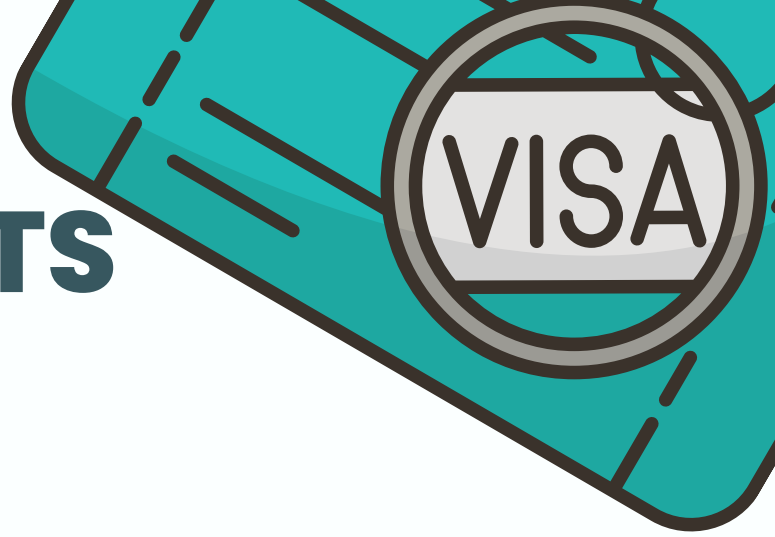
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

- Legal compliance
- Time and cost savings
- Access to global talent
- Flexibility
- Reduced liability
- Expertise



WORK PERMITS AND VISAS



Type of Visas:

Temporary Work (Skilled) Visa (Subclass 457):

- Designed for skilled people who want to work in Australia on a short-term basis. With a TSS Visa, an employee can work for their sponsor in Australia for up to four years, study (without government aid), and travel to and from Australia as many times as they like while the visa is valid.
- This application typically takes 1-3 months to process.

Skilled Independent Visa (Subclass 189):

- This is a points-based permanent residence visa for skilled workers who are not sponsored by an employer or family member or nominated by the government of a state or territory.

Employer Nomination Scheme (Subclass 186):

- This permanent residence visa is for skilled workers. An application can be made through the temporary residence transition stream (for 457 visa holders), the direct entry stream, or the agreement stream.

EMPLOYMENT CONTRACTS



Probation period

The employer normally chooses the length of the probation in the employment agreement, although it is usually three to six months, depending on the nature of the position.

Notice period

Employees' Notice Period of Continuous Employment :

- 1 year (including 'probationary intervals') or less- one week
- Longer than one year, but no more than three years- two weeks
- More than three years but no more than five years - three weeks
- Over 5 years- four weeks

Minimum wage

The national minimum wage is \$772.60 per week, or \$20.33 per hour, for a 38-hour work week.

Working hours and overtime

An employee in Australia can work up to 38 hours per week, or 7.6 hours each day.

Overtime is paid at 150% of the regular pace during the first 2-3 hours and double the ordinary rate following the first 2-3 hours.

Termination

There are numerous reasons to be terminated such as misconduct, inadequate performance, redundancy, etc. However, in each case, you must have a valid reason for the termination that is justifiable given the facts.

EMPLOYMENT CONTRACTS



Severance

Under the NES, all workers working under Commonwealth workplace rules are entitled to redundancy or severance compensation up to a maximum of 16 weeks' salary if:

- They have at least 12 months of continuous service and work for a company with 15 or more workers.

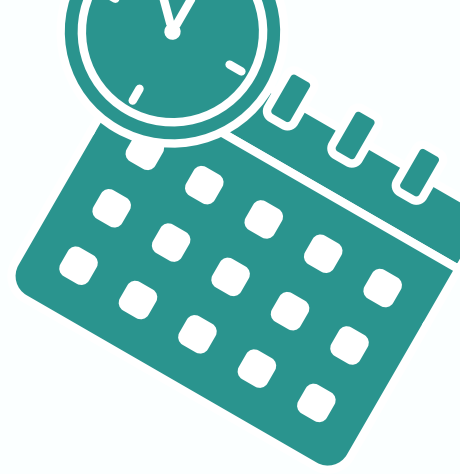
Non-compete clause

A Non-Compete Agreement is a formalized agreement formed between an employee and an employer in which the employee commits not to compete with the employer after they leave the firm. This may be added in employment contracts.

Collective bargaining

Collective bargaining is supported at the enterprise level in Australia.

PAID TIME OFF



Annual Vacation

Full-time employees are entitled to four weeks of vacation per year based on their normal working hours, however, it is more customary to earn five to six weeks.

Sick

Sick and carer's leave are both covered by the same entitlement in Australia. If the person works full-time, they are entitled to 10 days off, while part-time employees are entitled to pro-rata leave. This equates to 1/26 of a year's worth of working hours.

Maternity

Parental Leave Pay Scheme of the Australian Government Employees who are the primary caregiver for a newborn or newly adopted kid is eligible for up to 18 weeks of PLP at the National Minimum Wage.

Paternity

Parental Leave Pay Scheme of the Australian Government Employees who are the primary caregiver for a newborn or newly adopted kid is eligible for up to 18 weeks of PLP at the National Minimum Wage.

Family

Parental Leave Pay Scheme of the Australian Government Employees who are the primary caregiver for a newborn or newly adopted kid is eligible for up to 18 weeks of PLP at the National Minimum Wage.

National Holidays

16 public holidays in Australia.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Employer contributions vary depending on assessed degree of risk.

Social Security

Mandatory Occupational Pension - 9.5% of employees' earnings is contributed by employer. Additional contributions allowed.

Universal Social Security - covered by government.

Retirement

Covered by Social Security.

Health

2% levy on taxable income for Medicare.

Private

Workers compensation

Private workers compensation available.

Retirement

Private retirement schemes available.

Health

Private health insurance available.

Life

Private life Insurance available.

TAX



Personal Income Tax (PIT)

- **Tax year** : The Australian fiscal year begins on July 1 and concludes on June 30 of the following year.
- **Tax rate** : Rates are between 0% and 45% for residents and for non-residents. 32.5 and 45%.
- **Tax method** : Australia has a progressive tax system, which implies that as one's income rises, so does the amount of tax paid.
- **Tax residency requirements** :
 - Individuals have an Australian domicile unless they have a permanent place of habitation outside of Australia.
 - Individuals who have spent at least 183 days in the income year in Australia, unless the individual's normal place of residence is outside Australia and the individual does not plan to live in Australia.
 - If the individual is an 'eligible employee' for the purposes of legislation governing Federal public officials' superannuation rights.
 - Individuals who take up a contract of work in Australia may be considered residents if they stay for longer than six months.
- **Double taxation agreements (DTA's)** : Australia has multiple double tax agreements (DTA) with other countries.

Investment Income Tax

Capital gains on the sale of assets are included in assessable income and taxed at standard rates. Capital losses may only be offset against capital gains and not against other income. Except for temporary residents, Australian residents are responsible for tax on gains from the disposal of assets wherever they are located, subject to a tax offset for foreign tax paid. Non-residents are subject to Australian CGT only if the asset is 'taxable Australian property,' which is roughly defined as Australian real estate or the business assets of non-Australian residents' branches.

Taxable Income

A resident individual is subject to Australian income tax on a global basis. A non-resident individual is subject to Australian income tax solely on income generated from sources in Australia.

PAYROLL



Payroll Elements

- **Income:** Salary, earnings, bonuses, overtime pay, taxable benefits, allowances, and certain lump sum perks are examples of remuneration (revenue from employment). Profits or losses made by a company or trade. Income or profits derived from an individual's status as a trust beneficiary.
- **Deductions:** Residents and non-residents can deduct properly substantiated expenses incurred in earning employment and other income, such as business-related travel expenses, automobile expenses, subscriptions to professional or trade organizations, certain home office expenses, and protective clothing, to the extent that expenses are not reimbursed.
- **Benefits in Kind:** Not mandatory, but can be included in employees' remuneration packages.
- **Employer contributions:** Social security, health, and workers' compensation.

Payroll Taxes

Employers' payrolls are taxed in several states and territories (broadly defined). Although the different jurisdictions' payroll tax law has been harmonized, several discrepancies persist, especially tax rates and the criteria for exempting firms whose annual payroll is below a specific amount following grouping regulations

Payroll Calendar

Employees are paid weekly, bimonthly, or monthly in Australia, in accordance with payroll regulations and processes.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- The Fair Work Act of 2009

STATUTORY BODIES

- Australian Competition & Consumer Commission
- Australian Prudential Regulation Authority
- Australian Securities and Investments Commission
- Australian Taxation Office
- Reserve Bank of Australia



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information or a **FREE**
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