

Your responses suggest that although the deduction appears to be authorised, it is not permitted by law.

Division 2—Payment of wages etc.

323 Method and frequency of payment

- (1) An employer must pay an employee amounts payable to the employee in relation to the performance of work:
 - (a) in full (except as provided by section 324); and

324 Permitted deductions

- (1) An employer may deduct an amount from an amount payable to an employee in accordance with subsection 323(1) if:
 - (a) the deduction is authorised in writing by the employee and is principally for the employee's benefit; or
 - (b) the deduction is authorised by the employee in accordance with an enterprise agreement; or
 - (c) the deduction is authorised by or under a modern award or an FWC order; or
 - (d) the deduction is authorised by or under a law of the Commonwealth, a State or a Territory, or an order of a court.

Note 1: A deduction in accordance with a salary sacrifice or other arrangement, under which an employee chooses to:

- (a) forgo an amount payable to the employee in relation to the performance of work; but
 - (b) receive some other form of benefit or remuneration;
- will be permitted if it is made in accordance with this section and the other provisions of this Division.

Note 2: Certain terms of modern awards, enterprise agreements and contracts of employment relating to deductions have no effect (see section 326). A deduction made in accordance with such a term will not be authorised for the purposes of this section.

- (2) An authorisation for the purposes of paragraph (1)(a):
 - (a) must specify the amount of the deduction; and
 - (b) may be withdrawn in writing by the employee at any time.
- (3) Any variation in the amount of the deduction must be authorised in writing by the employee.

326 Certain terms have no effect

Unreasonable deductions for benefit of employer

- (1) A term of a modern award, an enterprise agreement or a contract of employment has no effect to the extent that the term permits, or has the effect of permitting, an employer to deduct an amount from an amount that is payable to an employee in relation to the performance of work, if the deduction is:
 - (a) directly or indirectly for the benefit of the employer or a party related to the employer; and

	(b) unreasonable in the circumstances.
--	--