

The PALM scheme

Labour rights for our Pacific partners

Australia's meat processing and agricultural industries are employing an increasing number of temporary workers from Pacific Island nations and Timor-Leste. Labour conditions must be equitable if the PALM scheme is to fulfil its promises.

Discussion paper

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Summary

The Pacific Australia Labour Mobility (PALM) scheme allows people from Pacific Island nations and Timor-Leste to work in Australia on a temporary basis. PALM visa holders are permitted to work in occupations classified as low-skilled, semi-skilled or unskilled, and the majority work in agriculture or meat processing. PALM visa applicants are sponsored by an 'Approved Employer' who is entitled to make wage deductions for costs including travel, accommodation and visa processing fees. Workers must obtain written permission to leave their Approved Employer and switch between Approved Employers. These conditions, coupled with problems ensuring the enforcement of minimum wages and the provision of enough working hours to earn a decent wage, have led to reports of underpayment, and of people on PALM visas running away from their Approved Employer.

The conditions of the visa, coupled with long-standing issues with the agricultural sector (in which most PALM workers are employed), make it essential to ensure that PALM workers are given proper working rights and that these rights are protected. The deductions employers can make from the wages mean that PALM workers are sometimes left with just \$200 per week. Access to Medicare and other public services is also a concern. Polling presented in this paper shows that the majority of Australians believe that PALM visa holders should have access to Medicare. A current trial is extending access to Medicare to 200 PALM visa holders, but unless universal access is available, PALM workers who get sick or injured are liable for high medical bills.

This paper calculates the size of the PALM visa program and discusses what is necessary to reduce the exploitation of temporary workers involved. It uses data from Australian Government sources to examine the quantitative impact of the PALM scheme in Australia and source countries. In the past five years, the number of temporary workers from Pacific Island nations has increased more than five-fold (from 5,886 in June 2019 to 30,026 in September 2023). PALM visa holders working in Australia's agriculture industry are equivalent to nearly 10% of the usually resident agricultural workforce. In the meat and meat product manufacturing industry, PALM visa holders are equivalent to about 23% of the workforce usually resident in Australia. As there are no caps on the number of PALM visas granted by the Australian Government, these proportions are likely to grow. The size of the program is also having a measurable demographic impact on Pacific Island nations – the number of Tongan people with PALM visas is equivalent to 9% of the Tongan working-age population; in Vanuatu the figure is 5%. With this in mind, it is no wonder that leaders of Pacific Island nations have criticised the program for causing a 'labour drain' in home countries.

The Department of Foreign Affairs and Trade (DFAT) states: “Pacific labour mobility is central to the Australian Government’s commitment to build a stronger Pacific family.” A genuinely fair PALM scheme would ensure:

- workers have the right to change jobs, and the power to leave exploitative employer situations;
- workers do not have to repay upfront visa costs;
- all workers have access to Medicare;
- permitted deductions are fair and lawful, and deductions for accommodation are capped at 30% of monthly income;
- legislation which penalises employers for not complying with fair work conditions is enforced.

If the PALM scheme is going to contribute to a long-term, mutually beneficial relationship between Australia and Pacific Island nations it must treat the members of our ‘Pacific family’ who come to work in Australia with dignity and respect.

Introduction

In April 2022, the Australian Government combined two visa categories to create the Pacific Australia Labour Mobility (PALM) scheme.¹ This temporary migration scheme allows people from Pacific Island nations and Timor-Leste to apply for short-term seasonal work visas (up to nine months) or long-term work visas (for between one to four years). PALM visa holders are permitted to work in occupations classified as low-skilled, semi-skilled or unskilled, and the majority work in agriculture or meat processing.² The scheme is intended to enable workers to send income home during their stay in Australia and, ideally, return home with savings.

The number of PALM visa holders is growing rapidly, and a similar program in New Zealand (the Recognised Seasonal Employer (RSE) program) is also attracting large numbers of workers from Pacific Island nations. By providing labour to fill purported shortages in essential industries whilst offering people from Pacific Island nations and Timor-Leste the chance to earn Australian dollars, the PALM scheme is touted as a mutually beneficial proposition. Australia's Minister for the Pacific, Pat Conroy, has described the PALM scheme as "the ultimate win-win".³ But the mournful ballad 'The Aussie Dollar is a Painful Dollar' – which was written by a former PALM worker on his return to Fiji where the song became a hit – suggests not everyone is happy.⁴

PALM workers are bound to the 'Approved Employer' who sponsors their visa, which restricts their ability to choose who they work for.⁵ Sponsoring employers are entitled to deduct certain costs, including for travel and accommodation, from the pay of PALM workers.⁶ This, coupled with a history of lack of enforcement of minimum wages and the provision of enough working hours to earn a decent wage, has led to reports of

¹ Pacific Australia Labour Mobility (PALM), www.palmscheme.gov.au The two previous visa categories were the Seasonal Worker Programme and the Pacific Labour Scheme.

² Personal Communication with a spokesperson for the Department of Employment and Workplace Relations, 2 November 2023.

³ Movono Kupu and Sas (2023) *Pacific Islander workers on Australian farms hit near-record numbers as their families feel the strain of 'painful dollar'*, <https://www.abc.net.au/news/2023-09-16/aussie-dollar-a-painful-dollar-for-pacific-workers-palm-scheme/102853382>

⁴ Movono Kupu and Sas (2023) *Pacific Islander workers on Australian farms hit near-record numbers as their families feel the strain of 'painful dollar'*.

⁵ Love (2023) *The Pacific Australia Labour Mobility scheme: a quick guide*, [https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/rp2324/Quick_Guides/PALMScheme#:~:text=Employers%20can%20liaise%20with%20the,%20visa%20\(subclass%20403\)](https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/rp/rp2324/Quick_Guides/PALMScheme#:~:text=Employers%20can%20liaise%20with%20the,%20visa%20(subclass%20403))

⁶ Australian Government (2023) *Pacific Australia Labour Mobility scheme approved employer guidelines*, v.1.4, pp 33–37, <https://www.palmscheme.gov.au/resources/palm-scheme-approved-employer-guidelines>

underpayment and of workers running away from their Approved Employer.⁷ Furthermore, although PALM workers pay tax,⁸ access to Medicare and other benefits is limited.

DFAT states that all PALM workers are “protected by the same workplace rights and laws as Australian workers, and additional measures are in place to support the wellbeing of workers while they live and work in Australia.”⁹ DFAT also states that “Pacific labour mobility is central to the Australian Government’s commitment to build a stronger Pacific family.”¹⁰ The December 2023 Migration Strategy states that the “guiding principle” behind the PALM visa scheme is “maintaining the primacy of our relationships with the Pacific and Timor-Leste,” and that “international mobility pathways which support our regional relationships, such as the PALM scheme ... deliver wins for workers, communities, Pacific countries and Australian businesses.”¹¹ However, being bound to their employer makes PALM workers vulnerable to exploitation. A scheme that is genuinely in the best interests of people from Pacific Island nations and Timor-Leste would guarantee them the same working rights as Australian residents.

This paper uses data from Australian Government sources to examine the quantitative impact of the PALM visa scheme in Australia and source countries. It then discusses opportunities for policy reform that would ensure the members of our ‘Pacific Island family’ are treated fairly.

TEMPORARY VISAS AND THE NEED FOR REFORM

The PALM visa scheme is just one of several visas that enable people to work in Australia on a temporary basis. These visas include: the Temporary Skill Shortage visa (subclass 482) (which replaced the Temporary Work (subclass 457) visa), international students on subclass

⁷ Baker (2021) *Pacific island meat workers on \$9 per hour after wage deductions*, <https://www.smh.com.au/business/workplace/pacific-island-meat-workers-on-9-per-hour-after-wage-deductions-20210912-p58qyg.html>; Fair Work Ombudsman (2023) *Queensland labour-hire company penalised*, <https://www.fairwork.gov.au/newsroom/media-releases/2023-media-releases/july-2023/20230705-nq-powertrain-penalty-media-release>; Thompson (2023) *Broke and hungry, Pacific Islanders are abandoning Aussie farms in droves*, <https://www.smh.com.au/politics/federal/broke-and-hungry-pacific-islanders-are-abandoning-aussie-farms-in-droves-20230621-p5diah.html>; Kelly (2021) *‘You may bring shame to your family’: Australia launches campaign to stop seasonal farm workers absconding*, <https://www.theguardian.com/australia-news/2021/nov/05/you-may-bring-shame-to-your-family-australia-launches-campaign-to-stop-seasonal-farm-workers-absconding>

⁸ Short-term seasonal visa workers are considered non-residents for tax purposes and are taxed at a flat rate of 15% and do not lodge a tax return. Long-term workers are taxed at the same rate as Australia workers and must submit a tax return. See Australian Government (n.d.) *PALM frequently asked questions*, <https://www.palmscheme.gov.au/faq>

⁹ DFAT (n.d.) *Pacific labour mobility*, <https://www.dfat.gov.au/geo/pacific/engagement/pacific-labour-mobility>

¹⁰ DFAT (n.d.) *Pacific labour mobility*.

¹¹ Australian Government (2023) *Migration strategy: Getting migration working for the nation*, p 92, Department of Home Affairs, <https://immi.homeaffairs.gov.au/what-we-do/migration-strategy>

500 visas, and working holiday makers on visa subclasses 417 and 462. Workers on these visas provide employers with a pool of labour that have fewer rights and entitlements than Australian residents, which means they are more vulnerable to exploitation. Reports of the underpayment and exploitation of people on these visas are common.¹² Together, these temporary worker programs are having a marked impact on the labour market and reducing wage growth.¹³ Employer complaints about labour shortages are often used as the justification for these visa streams. During the pandemic, these temporary migration programs were shut down, but all have opened back up and are rapidly expanding.

The Australian Government was aware that temporary migrants on the visas that preceded the PALM scheme were being exploited.¹⁴ As part of its 'Plan to Build a Stronger Pacific Family', the Albanese Government committed to implementing the recommendations of the Migrant Workers' Taskforce and pledged \$370.8 million over four years to "expand and improve" the PALM Scheme.¹⁵

Since April 2022, several improvements to the scheme have been announced, including:

- Guaranteeing a minimum weekly take-home pay of \$200;
- Guaranteeing at least 30 hours of work a week (averaged over four weeks). From July 2024 this will become a guarantee of 30 hours every single week;
- Where workers are offered less than 20 hours of work a week, the employer has to cover the cost of the worker's accommodation and transport for that week and that debt cannot be accrued in these instances;
- Opening up more industries to the program;
- A target of awarding formal qualifications to 1,000 PALM workers over four years;
- A trial program to bring the family members of 200 PALM visa holders to Australia, which will include access to some government supports like Medicare;
- Simplifying access to superannuation for PALM workers once they return home;

¹² Farbenblum and Berg (2020) *International students and wage theft in Australia*, <https://www.migrantjustice.org/iswagetheft>; Migrant Workers Centre and Unions NSW (2021) *Working for \$9 a day: wage theft & human rights abuses on Australian farms*, https://www.migrantworkers.org.au/9_a_day; Senate Education and Employment References Committee (2016) *A national disgrace: the exploitation of temporary work visa holders*, https://www.aph.gov.au/parliamentary_business/committees/senate/education_and_employment/temporary_work_visa/report; Australian Government (2019) *Report of the migrant workers' taskforce*, <https://www.dewr.gov.au/migrant-workers-taskforce>

¹³ Stewart, Standford and Hardy (2022) *The wages crisis: revisited*, <https://australiainstitute.org.au/report/the-wages-crisis-revisited/>; Cavanough (2021) *Stuck in neutral: the policy architecture driving slow wage growth in Australia*, <https://mckellinstitute.org.au/research/reports/stuck-in-neutral/>

¹⁴ Stayner (2021) *Government overhauls Pacific worker program amid concerns over exploitation*, <https://www.sbs.com.au/news/article/government-overhauls-pacific-worker-program-amid-concerns-over-exploitation/3icq02psw>

¹⁵ See Australian Government (2019) *Report of the migrant workers' taskforce*; and Australian Government (2023) *Budget measures: Budget paper no. 2*, p 119, <https://budget.gov.au/content/bp2/index.htm>

- Introduced cultural competency training for Approved Employers;
- A Country Liaison Officer program intended to support worker wellbeing.^{16,17}

Also in April 2022, a minimum pay guarantee for pieceworkers was introduced as part the Horticulture award.¹⁸ This guarantee aims to reduce underpayment of horticultural workers, who get paid according to how much fruit or vegetable they can pick or pack within a day. This affects any PALM workers employed on a piece rate basis.

Other contemporary legislation intended to improve conditions for temporary visa holders includes:

- The *Fair Work Legislation Amendment (Protecting Worker Entitlements) Bill 2023*,¹⁹ which clarifies that migrant workers are entitled to the same wages and entitlements as other employees.
- The *Migration Amendment (Strengthening Employer Compliance) Bill 2023*, which aims to criminalise particular forms of migrant worker exploitation, expands the use of compliance tools, and increases penalties for non-compliant employers.²⁰
- The *Fair Work Legislation Amendment (Closing Loopholes) Bill 2023*.²¹ Currently the subject of a Senate Inquiry,²² the bill includes a proposal to criminalise wage theft – this was a recommendation of the 2019 Migrant Workers' Taskforce.²³
- The Australian Government has also committed to establishing a national labour hire licensing scheme to help protect people who work for labour hire companies from

¹⁶ Australian Government (2023) *Budget 2023-24 - reforming the PALM scheme*,

<https://www.palmscheme.gov.au/resources/budget-2023-24-reforming-palm-scheme>

¹⁷ Field, Berlage, Pavlich and Honeybone (2023) *Pacific farm workers welcome reforms as numbers reach record high*, <https://www.abc.net.au/news/rural/2023-06-19/pacific-australia-labour-mobility-palm-scheme-changes-welcomed/102477350>

¹⁸ Fair Work Ombudsman (2022) *Horticulture Award changes start today*,

<https://www.fairwork.gov.au/newsroom/media-releases/2022-media-releases/april-2022/20220428-horticulture-award-changes-media-release>

¹⁹ Parliament of Australia (2023) *Fair Work Legislation Amendment (Protecting Worker Entitlements) Bill 2023*,

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r7010

²⁰ Parliament of Australia (2023) *Migration Amendment (Strengthening Employer Compliance) Bill 2023*,

https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=r7058

²¹ Parliament of Australia (2023) *Fair Work Legislation Amendment (Closing Loopholes) Bill 2023*,

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r7072

²² Senate Standing Committees on Education and Employment (2023) *Fair Work Legislation Amendment*

(Closing Loopholes) Bill 2023, Parliament of Australia,

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/ClosingLoopholes

²³ Australian Government (2019) *Report of the migrant workers' taskforce*.

exploitation.²⁴ This was also recommendation of the 2019 Migrant Workers' Taskforce, and similar schemes already exist in a few states.²⁵

All these changes would benefit PALM workers and would help improve the conditions of the sectors in which PALM workers are employed.

Trade unions have also made considerable effort to advocate for PALM workers and call for improvements to the scheme. Unions have helped PALM workers recover unpaid wages, transfer employers, and represented them in disputes over accommodation, deductions, and hours of work.²⁶ The work of unions also helped bring to light exploitation in the agricultural sector, which led to the establishment of a horticultural minimum award rate for piece workers.²⁷ As the scheme grows, unions are likely to play an ongoing role in advocating for the rights of PALM workers, whose right to unionise must be ongoing and safeguarded.

These are welcome reforms, but there is still room for improvement. Media reports of the poor treatment of PALM visa holders continue to mount.²⁸ This raises questions about just how much people from the Pacific Island nations and Timor-Leste actually benefit from the scheme.

²⁴ Department of Employment and Workplace Relations (DEWR) (2023) *A single national framework for labour hire regulation, which could be implemented in place of existing state and territory schemes*, <https://www.dewr.gov.au/2023-workplace-reform-consultations/consultations/single-national-framework-labour-hire-regulation-which-could-be-implemented-place-existing-state-and>

²⁵ Victoria, Queensland, South Australia, and the ACT. See Labour Hire Authority (2023) *National labour hire licensing update*, <https://labourhireauthority.vic.gov.au/latest-news/national-labour-hire-licensing-update/>

²⁶ AWU (2023) *Fair go for PALM workers*, <https://awu.net.au/campaigns/palm-workers/>

²⁷ Unions NSW (2018) *Lighting up the black market: enforcing minimum wages*, <https://www.unionsnsw.org.au/publications/>; Unions NSW (2020) *Wage theft: the shadow market*, <https://www.unionsnsw.org.au/publications/>; Unions NSW (2021) *Wage theft: the shadow market, part two: the horticulture industry*, <https://www.unionsnsw.org.au/publications/>; Migrant Workers Centre and Unions NSW (2021) *Working for \$9 a day: wage theft & human rights abuses on Australian farms*; AWU (2021) *AWU secures historic minimum wage for fruit pickers*, <https://awu.net.au/news/16096-2/>

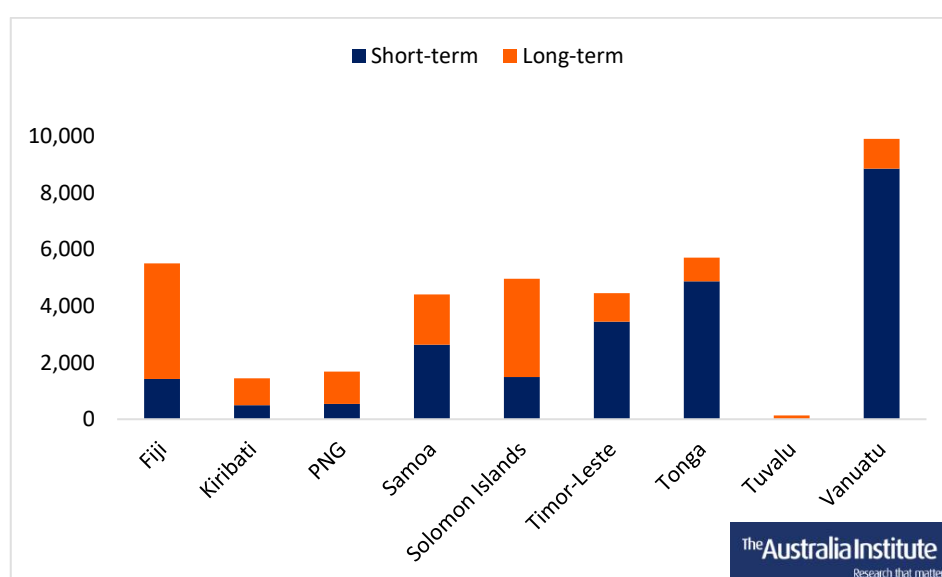
²⁸ Buchanan and Halter (2023) *Linx Employment exits Pacific Australia Labour Mobility scheme amid worker treatment investigation*, <https://www.abc.net.au/news/rural/2023-07-24/linx-employment-quits-palm-scheme/102630460>; Lewis (2022) *Pacific Islander farm workers demand justice after claims of 'modern slavery'*, <https://www.sbs.com.au/news/article/pacific-islander-farm-workers-demand-justice-after-claims-of-modern-slavery/ylxf0k3wj>

OVERVIEW OF THE PALM VISA SCHEME

As of 30 September 2023, there were 38,250 PALM workers in Australia,²⁹ working with more than 400 Approved Employers.³⁰ Of these, 23,790 were employed in the short-term seasonal (nine month) stream and 14,450 were employed in the long-term (one-to-four-year) stream.³¹

Figure 1 shows the numbers of PALM workers in Australia by the length of their stay and their countries of origin. The largest number of short-term seasonal workers come from Vanuatu (8,860), Tonga (4,880), and Timor-Leste (3,450), while the largest number of long-term workers come from Fiji (4,080), the Solomon Islands (3,480) and Samoa (1,770).

Figure 1: PALM visa holders in Australia by length of stay and country of origin



Source: Personal communication with a spokesperson for the Department of Employment and Workplace Relations (DEWR), 2 November 2023. All data is at 30 September 2023 and rounded to the nearest 10. To mitigate the risk of reidentification, totals below 20 have been rounded up to 20. Nauru is not included in this chart as its totals are so small.

The number of people from Pacific Island nations and Timor-Leste coming to Australia as temporary workers has been steadily growing in recent years. Figure 2 shows more than a

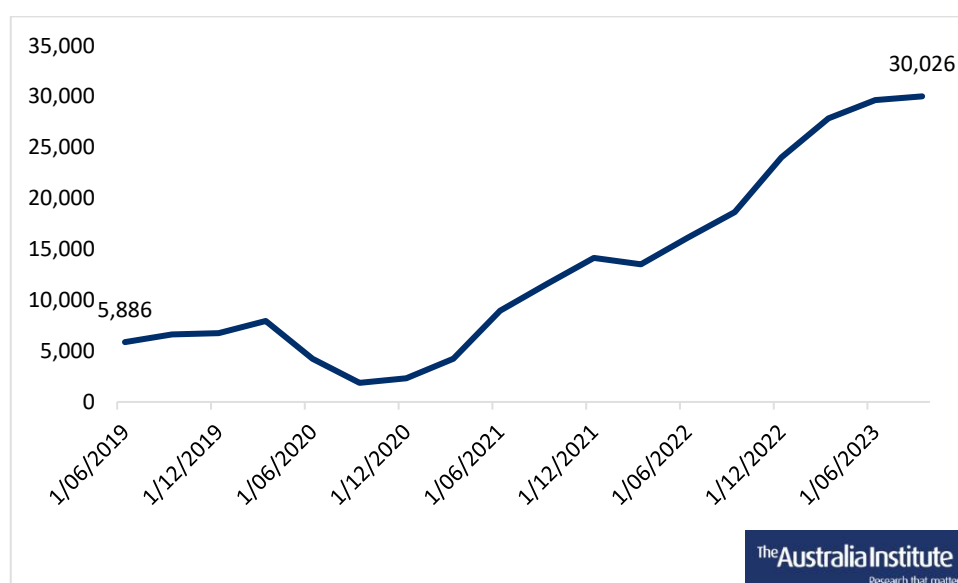
²⁹ This figure is according to a spokesperson from the Department of Employment and Workplace Relations (DEWR). However, the spokesman noted that, “due to program settings implemented in response to the Covid-19 pandemic, PALM workers in Australia may currently hold visa types other than a Temporary Work (International Relations) (subclass 403) visa such as a bridging visa, or a subclass 408 visa.”

³⁰ Approved Employers can be labour hire companies or direct hire companies. See Australian Government (2023) *Current employers*, <https://www.palmscheme.gov.au/current-employers>

³¹ PALM worker data supplied by DEWR. Data is on 30 September 2023 and rounded to the nearest 10. With counts below 20, suppression treatments have been applied by the DEWR to mitigate the risk of reidentification.

five-fold increase in the number of PALM visa holders – from 5,886 on 30 June 2019 to 30,026 by 30 September 2023.

Figure 2: PALM, PLS, and SWP temporary workers in Australia, June 2019 to Sept. 2023



Source: Department of Home Affairs (DHA) (2023) *BP0019 Number of temporary visa holders in Australia at 2023-09-30*, <https://data.gov.au/data/dataset/temporary-entrants-visa-holders/resource/54b2d02b-45bf-4c2d-a2bd-d9a9064f365c>. This available data set starts at June 2019. This chart includes numbers for PALM visa holders and the previous Pacific Labour Scheme (PLS) and Seasonal Worker Programme (SWP) visa streams. Only countries that participate in the PALM scheme were selected. The total number of PALM visa holder presented in this chart is different to Figure 1 because of discrepancies in the data from the DEWR and DHA.

This trend has led political and community leaders across the Pacific to raise concerns about the economic impacts of the PALM visa and other temporary labour schemes on Pacific economies. While the opportunity for offshore work and the resulting remittances³² may be attractive to workers from Pacific Island nations and Timor-Leste, who might not have opportunities to earn as much in their home countries, these programs can exacerbate economic problems in nations that were hard hit by the COVID-19 pandemic. Both qualified and unqualified workers are leaving the Pacific to take up jobs in Australia under the PALM scheme, and this is contributing to both labour and brain drains in home countries.³³ The long-term demographic, economic, and social impacts are yet to be carefully analysed.

³² Although, remittances to the Pacific from Australia are “among the most expensive in the world”. See Collins (2023) *Reducing remittance costs in the Pacific Islands*, <https://www.lowyinstitute.org/publications/reducing-remittance-costs-pacific-islands>

³³ Movono, Faaiuas and Scheyvens (2022) *Underpaid at home, vulnerable abroad: how seasonal job schemes are draining Pacific nations of vital workers*, <https://theconversation.com/underpaid-at-home-vulnerable-abroad-how-seasonal-job-schemes-are-draining-pacific-nations-of-vital-workers-194810>

The proportion of the working age population engaging in offshore work is having serious effects on the labour forces of Pacific Island nations and Timor-Leste.³⁴ Table 1 (below) compares the number of PALM visa workers originating from each country with the size of its domestic working age population. To assess the impact of the PALM visa program on the domestic labour forces of Pacific Island nations and Timor-Leste, we compared the number of PALM visa workers originating from each country with the size of its domestic working age population. Working-age population was defined as men and women between the ages of 15-64, consistent with the Organisation for Economic Co-operation and Development (OECD) classification.³⁵ The working-age population of each country was determined using the United Nations population prospects database (2023 estimates, medium variant).³⁶ The number of PALM visa holders and their country of origin was determined using September 2023 figures sourced from the Department of Employment and Workplace Relations.

As Table 1 shows, the number of PALM visa workers in Australia is equivalent to 3% of the Samoan working-age population, 9% of the Tongan working-age population, and 5% of the Vanuatuan working-age population. As less populated nations, the number of PALM visa workers equivalent to the working-age populations of Kiribati (2%) and Tuvalu (2%) are still notable. While these figures represent both males and females, less than a quarter (21%) of PALM visa holders are women and so the demographic impacts are heavily skewed toward men.³⁷ These figures also do not account for the significant numbers of people from Pacific Island nations who go to New Zealand to work on a temporary basis.³⁸ While single-digit

³⁴ Given the implications for domestic labour forces, the governments of Tonga, Samoa, and Vanuatu have established programs to manage the increased uptake in the PALM and other similar schemes. See Kingdom of Tonga (2023) *Tonga Labour Mobility Supply Management Strategy*, https://www.mted.gov.to/wp-content/uploads/2023/07/FINAL_Final-TLMSMS_23-March-20231.pdf; Government of Samoa (2023) *Samoa's policy for temporary labour migration under the labour mobility schemes of Australia and New Zealand*, <https://www.samoagovt.ws/2023/09/samoas-policy-for-temporary-labour-migration-under-the-labour-mobility-schemes-of-australia-and-new-zealand/>; Vanuatu Chamber of Commerce and Industry (2023) *Consultation on the updating of the National Labour Mobility Policy*, <https://vcci.vu/consultation-on-national-labour-mobility-policy/>; see also Bedford (2023) *Pacific labour mobility over the last year: continued growth*, <https://devpolicy.org/pacific-labour-mobility-over-the-last-year-continued-growth-20230808/>; Movono, Faaiuas and Scheyvens (2022) *Underpaid at home, vulnerable abroad: how seasonal job schemes are draining Pacific nations of vital workers*.

³⁵ Organisation for Economic Co-operation and Development (OECD) (2022) *Working age population*, <https://data.oecd.org/pop/working-age-population.htm>

³⁶ United Nations, Department of Economic and Social Affairs, Population Division (2022) *World population prospects, population by select age groups - both sexes*, <https://population.un.org/wpp/Download/Standard/Population/>

³⁷ Australian Government (2023) *Expanding and improving labour mobility*, <https://www.palmscheme.gov.au/sites/default/files/2023-10/Expanding%20and%20improving%20PALM%20scheme%20August%202023.pdf>

³⁸ Bedford and Bedford (2023) *Pacific seasonal workers' participation in the RSE scheme: the numbers and their implications*, <https://devpolicy.org/pacific-workers-in-rse-scheme-numbers-and-their-implications-20230413/>; Sharman and Bedford (2023) *Samoa's shifting seasonal work priorities*,

figures might seem small, they represent villages in which many working aged people, particularly men, are absent. There is no doubt that this would affect local families, economies, and societies. A reduction in the working age population of any country has a commensurate reduction in its gross domestic product. In Vanuatu, so many people go to Australia and New Zealand to work that the government has introduced a new class of temporary working visa aimed at bringing 1,500 foreign workers to Vanuatu to fill gaps in their labour force.³⁹ Similarly, the Samoan government has proposed an annual cap of 12,000 temporary worker visas to address domestic labour and skills shortages.⁴⁰

Table 1: PALM visa holders equivalent to estimated working age population (aged 15 to 64), by country⁴¹

Country	Number of PALM visa holders	Total working age population (ages 15 to 64)	Percentage of working age population
Fiji	5,510	614,362	0.90%
Kiribati	1,450	80,365	1.80%
PNG	1,680	6,488,069	0.03%
Samoa	4,400	129,102	3.41%
Solomon Islands	4,970	426,583	1.17%
Timor-Leste	4,470	824,952	0.54%
Tonga	5,720	64,407	8.88%
Tuvalu	130	7,017	1.85%
Vanuatu	9,920	191,212	5.19%

Source: United Nations, Department of Economic and Social Affairs, Population Division (2022) *World population prospects, population by select age groups - both sexes, medium variant, 2023 estimates*, <https://population.un.org/wpp/Download/Standard/Population/>; PALM visa holders (30 September 2023) provided by Department of Employment and Workplace Relations (2023). Nauru figures not included because the totals are so small.

Figure 3 shows that in Australia, most PALM workers are employed in the agriculture sector (25,980) and the meat processing sector (10,350). A minority work in other sectors including aged care, hospitality, accommodation and tourism.

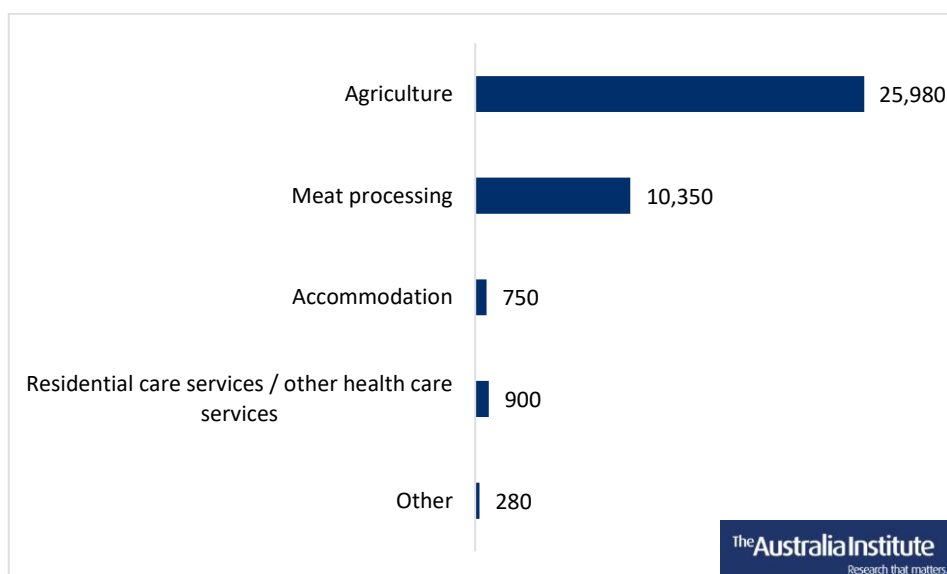
<https://devpolicy.org/samoas-shifting-seasonal-work-priorities-20231117/>; Bedford (2023) *Pacific labour mobility over the last year: continued growth*, <https://devpolicy.org/pacific-labour-mobility-over-the-last-year-continued-growth-20230808/>; Movono, Scheyvens and Auckram (2023) *NZ wants more seasonal workers – but Pacific nations no longer want to be the ‘outposts’ that ‘grow’ them*, <https://theconversation.com/nz-wants-more-seasonal-workers-but-pacific-nations-no-longer-want-to-be-the-outposts-that-grow-them-217790>

³⁹ Willie (2023) *Emergency Employment Visa Order signed*, https://www.dailypost.vu/news/emergency-employment-visa-order-signed/article_b50d2857-9f69-5e29-894b-a3269be38954.html

⁴⁰ Government of Samoa (2023) *Samoa’s policy for temporary labour migration under the labour mobility schemes of Australia and New Zealand*.

⁴¹ Working age population is defined by the OECD as the proportion of the population aged between 15 and 64 years. OECD (2022) *Working age population*, <https://data.oecd.org/pop/working-age-population.htm>

Figure 3: PALM workers in Australia by program industry (high level industries)



Source: Personal Communication with a spokesperson for the Department of Employment and Workplace Relations, 2 November 2023. Data as at 30 September 2023. Data is based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) classification of the employer.

To assess the size of this group of workers relative to the number of Australian domestic workers in each industry, we drew data from the latest release of the Australian Bureau of Statistics (ABS) Labour Force statistics (employed persons by industry group of main job). According to the ABS, in August 2023, about 45,209 people usually resident in Australia were employed in the meat and meat product manufacturing industry, within which the meat processing industry is one sub-component. Table 2 shows that this makes PALM visa workers equivalent to about 23% of the meat and meat product manufacturing workforce usually resident in Australia. In the agriculture industry, about 261,821 people usually resident in Australia were employed in agriculture as of August 2023. This makes PALM visa workers employed in this industry equivalent to about 10% of the usually resident workforce.⁴² As there are no caps on the number of PALM visas granted by the Australian Government, these proportions are likely to grow.

⁴² It is important to note that this ABS data only includes the population of people usually resident in Australia (in other words, those that have been residing in Australia for 12 months or more in a 16-month period). This means that the total number of people usually resident in Australia working in each industry will include some PALM visa holders who are on long-term visas but omit others on short-term visas. There is also a small time discrepancy between the ABS and DEWR figures due to the limited accessibility of data, but this is not expected to have had a significant impact on the results.

Table 2: PALM visa workforce as equivalent to the workforce usually resident in Australia

Industry	PALM visa workforce	Usually resident workforce	Equivalent percentage
Agriculture	25,980	261,821	9.92%
Meat and meat product manufacturing	10,350	45,209	22.89%

Source: ABS (2023) *Labour force, Australia, detailed*, August 2023, Table EQ06 – employed persons by Industry group of main job (ANZSIC), Sex, State and Territory, November 1984 onwards, <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release>. PALM visa workforce provided by Department of Employment and Workplace Relations, 30 September 2023.

PALM workers are making up an increasing portion of the workforce, especially in the agricultural industry.⁴³ But they compete for jobs with another temporary visa group – Working Holiday Makers. Working Holiday Makers (‘backpackers’) make up a considerable portion of the agricultural workforce because they must work for 88 days in certain specified industries – including farming – to be eligible to apply for a subsequent visa. There are ongoing debates about removing this requirement.⁴⁴ Doing so could give PALM visa holders more opportunities in the agricultural sector. While not directly part of the PALM scheme, changes to the conditions of Working Holiday Maker visa have the potential to impact how many PALM visa holders work in agriculture.

ENSURING EQUITY

Labour exploitation in the agriculture sector

The PALM scheme represents the continuation of Australia’s strategy of using temporary visa holders to work in industries that do not offer wages and conditions attractive enough to attract Australian residents. Giving these industries more access to an increasing pool of

⁴³ Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) (2023) *Agricultural commodities report*, March quarter, p 70, <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/previous-reports>

⁴⁴ Read and McIlroy (2023) *Labor could ignore calls for limits on working holiday visas*, <https://www.afr.com/politics/federal/labor-could-ignore-calls-for-limits-on-working-holiday-visas-20230921-p5e6ho>; Doan, Dornan and Edwards (2023) *The gains and pains of working away from home the case of pacific temporary migrant workers in Australia and New Zealand*, <https://devpolicy.org/publications/reports/Pacific-temporary-migrant-workers-Nov2023.pdf>; Parkinson, Howe and Azarias (2023) *Review of the migration system: final report*, p 89, <https://www.homeaffairs.gov.au/reports-and-pubs/files/review-migration-system-final-report.pdf>; Lynch and Murphy (2023) *West Australian farmers fear visa policy changes will leave them without workers*, <https://www.abc.net.au/news/2023-08-28/farmers-concerned-backpackers-88-day-visa-incentive-scrappped/102773212>

vulnerable and hence more compliant workers allows employers in these industries to maintain sub-standard practices.

The agriculture sector is big business for Australia. In 2022–23, agricultural production was worth \$94 billion, and the total value of agriculture, fisheries and forestry exports was \$83 billion.⁴⁵ Over the past few decades, the deregulation of the agriculture sector and related industrial relations policies has led to the outsourcing of farm work through labour hire firms. These third-party contractors have long drawn on temporary visa holders, including Working Holiday Makers to work in a sector that struggles to attract resident workers.⁴⁶ Academics have argued that it is less a case of labour shortages in these sectors, which would typically see wages increase, and more a case of a deterioration of structural and systemic conditions that have led to poor working conditions, less worker protections, and low pay.⁴⁷

The meat process and agriculture sectors (including horticulture⁴⁸) have long been notorious for poor working conditions, substandard accommodation and low pay, which is why they have long struggled to attract domestic workers. A 2021 report found that horticulture workers were paid as little as \$1 an hour or \$9 a day, that 78% were underpaid, and that only 2% of survey respondents reported earnings of \$26 or more an hour.⁴⁹ The PALM scheme is another attempt to patch over the structural problems in these sectors. The introduction of the minimum award for pieceworkers in horticulture is one step toward raising wages, yet conditions could still be improved.

Between 1 July 2019 and 30 June 2023, the Fair Work Ombudsman (FWO) commenced 162 investigations relating to the PALM scheme, recovering \$383,205 for 1,473 workers, issuing 35 compliance notices and eight infringement notices.⁵⁰ The labour hire companies that often act as agents for PALM visa holders are often responsible for non-compliance

⁴⁵ ABARES (2023) *Agricultural Commodities Report*, December quarter 2023, p 5, 9.

<https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook#download-report>

⁴⁶ Rosewarne (2019) *The structural transformation of Australian agriculture: globalisation, corporatisation and the devalorisation of labour*, ppsydney.net/jape-issues/issue-84-summer-2019-2020/; Campbell (2019) *Harvest labour markets in Australia: alleged labour shortages and employer demand for temporary migrant workers*, ppsydney.net/jape-issues/issue-84-summer-2019-2020/; van den Broek, Wright, Howe and Reilly (2021) *Pro-market governance, migration status and worker vulnerability: The case of Australian horticulture*, <https://doi.org/10.1177/0143831X19861750>

⁴⁷ Campbell (2019) *Harvest labour markets in Australia: alleged labour shortages and employer demand for temporary migrant workers*.

⁴⁸ Horticulture is Australia's third largest agricultural industry. Department of Agriculture, Fisheries and Forestry (2023) *Australian horticulture*, <https://www.agriculture.gov.au/agriculture-land/farm-food-drought/hort-policy>

⁴⁹ Migrant Workers Centre and Unions NSW (2021) *Working for \$9 a day: wage theft & human rights abuses on Australian farms*.

⁵⁰ Fair Work Ombudsman (2023) *Annual Report 2022–23*, p 33, <https://www.fairwork.gov.au/about-us/accountability/annual-reports>

breaches.^{51,52} A 2018 report of the horticulture industry found that 55.6% of all employers investigated failed to comply with Australian workplace law. This included underpayments and failure to keep accurate records.⁵³ A 2022 audit of job advertisements in more than ten industries, including horticulture, found that more than half of employers were not compliant with a requirement to guarantee a minimum wage for piece rate workers.⁵⁴ The FWO has identified the agriculture sector as a regulatory priority for 2023—24 “because of its reliance on vulnerable workers such as visa holders and its use of complex supply chains.”⁵⁵ While the FWO was granted \$27.3 million in the 2023—24 budget to help it support the expansion of the PALM scheme, its overall budget was cut by 2.5%.⁵⁶

The right to change employer

In addition to these issues, PALM visa workers must contend with conditions that make exploitation more likely. PALM workers are bonded to the employer who sponsors their visa. PALM visa holders are prohibited from changing employers without the approval of the employer they want to leave, the employer they want to go to, and the Department of Employment and Workplace Relations (DEWR).⁵⁷ Even if they are able to secure a new employer, PALM visa holders can only work in the position for which their visa has been granted, and with a registered Approved Employer. If someone on a seasonal (short-term) visa wants to become part of the long-term (multiple year) scheme, they must secure nomination from their employer.⁵⁸ Being tied to a specific employer leaves workers

⁵¹ Reilly, Howe, van den Broek and Wright (2018) *Working holiday makers in Australian horticulture: Labour market effect, exploitation and avenues for reform*, p 120, <https://www.tandfonline.com/doi/abs/10.1080/10383441.2018.1482814>

⁵² Howe, Clibborn, Reilly, van den Broek and Wright (2019) *Towards a durable future: tackling labour challenges in the Australian horticulture industry*, <https://www.sydney.edu.au/content/dam/corporate/documents/business-school/research/work-and-organisational-studies/towards-a-durable-future-report.pdf>

⁵³ Fair Work Ombudsman (2018) *Harvest trail inquiry report*, <https://www.fairwork.gov.au/about-us/compliance-and-enforcement/inquiries/harvest-trail-inquiry>

⁵⁴ Unions NSW (2022) *Wage theft: the shadow market, empowering migrant workers to enforce their rights*, <https://www.unionsnsw.org.au/publications/>

⁵⁵ Fair Work Ombudsman (2023) *Fair Work Ombudsman finds a mixed bag as Ag sector inspections continue*, <https://www.fairwork.gov.au/newsroom/media-releases/2023-media-releases/october-2023/20231018-ag-omnibus-october-2023-media-release>

⁵⁶ Australian Government (2023) *Budget measures: Budget paper no. 2*, pp 106, 119.

⁵⁷ Department of Home Affairs (2023) *Pacific Australia Labour Mobility stream*, <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-work-403/pacific-australia-labour-mobility-stream#When>

⁵⁸ Australian Government (n.d.) *PALM fact sheet*, <https://www.foreignminister.gov.au/sites/default/files/2021-11/streamlining-and-strengthening-pacific-labour-new-era-palm-scheme-fact-sheet.pdf>

enormously vulnerable to abuse of all kinds. This condition has led Nationals Senator Matt Canavan to liken the scheme to a form of indentured labour.⁵⁹

If someone on a PALM visa wants to make a complaint about their employer, they are expected to approach their employers directly and/or contact the FWO. There are also country liaison officers and labour attachés appointed by Pacific Islander and Timor-Leste governments to support PALM workers in Australia, although not all participating countries offer this.⁶⁰

There have been reports of workers fleeing their jobs because of poor conditions or because they are not given enough hours of work. This is largely in the form of (knowingly or unknowingly) leaving their sponsor employer and going to work for employers not approved as part of the PALM scheme.⁶¹ In 2021, this prompted a shame-and-scare campaign from DFAT about the perils of ‘absconding’ and the threat of visa cancellation.⁶² This campaign was harshly criticised on human rights grounds.⁶³

Being able to leave a job because of poor pay and working conditions is basic right. If PALM workers had more options to change employers and industries and were treated and compensated fairly throughout the whole process, there would be no need to shame or chase vulnerable workers for using their agency to escape exploitative conditions.

Multiple reviews have recommended that PALM workers have greater rights to change jobs and employers.⁶⁴ This would help maximise job and skills opportunities for PALM workers and give them greater flexibility to leave exploitative situations. Greater portability could also be extended by allowing transfers to other industries. The need for employees to

⁵⁹ Thompson (2022) *Coalition senator likens government’s seasonal worker scheme to indentured labour*, <https://www.smh.com.au/politics/federal/coalition-senator-likens-government-s-seasonal-worker-scheme-to-indentured-labour-20220202-p59tbi.html>

⁶⁰ Tuvalu, Fiji and Papua New Guinea currently do not have these representatives. See Australian Government (n.d.) *Contact*, <https://www.palmscheme.gov.au/contact>

⁶¹ Marie and Buchanan (2022) *Pacific farm workers who breached visas by working for wrong employers fight to get them back*, <https://www.abc.net.au/news/rural/2022-08-02/absconded-pacific-workers-fight-for-visas-palm-scheme-breach/101290534>

⁶² Kelly (2021) *‘You may bring shame to your family’: Australia launches campaign to stop seasonal farm workers absconding*.

⁶³ Aualitiia (2021) *Australian government to review Pac seasonal worker absconding posters after public backlash*, <https://www.abc.net.au/pacific/programs/pacificbeat/pac-seasonal-abscond-update/13638586>; Rice (2021) *Immigrant seasonal workers abscond amid ‘slave labour’ claims*, <https://www.theaustralian.com.au/nation/politics/immigrant-seasonal-workers-abscond-amid-slave-labour-claims/news-story/0ee718cbc31609b91ed6d4850921929e>

⁶⁴ Senate Select Committee on Job Security (2022) *Final report: matter of possible privilege*, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity/Report; Coates, Wiltshire and Reysenbach (2023) *Short-changed: How to stop the exploitation of migrant workers in Australia*, <https://grattan.edu.au/report/short-changed-how-to-stop-the-exploitation-of-migrant-workers-in-australia/>; Parkinson, Howe and Azarias (2023) *Review of the migration system: final report*, p 89.

change jobs is especially important in cases where an employer has not met their obligations and/or after flights and on-arrival expenses have been repaid by workers.

These sponsorship arrangements put PALM workers in a vulnerable position in which they are totally dependent on their employer. This increases the likelihood of exploitation and the underreporting of workplace issues. No domestic worker in Australia is subjected to these kinds of restrictions on movement, which fly in the face of the notion of a free labour market.

The December 2023 Migration Strategy outlines plans that would allow temporary workers greater freedom to change employers and industries, yet the focus is on skilled migrants,⁶⁵ which would exclude participants in the PALM scheme.⁶⁶ The Migration Strategy acknowledges that increased mobility for temporary workers can contribute to increased productivity for employers, and more job satisfaction and higher wages for workers.⁶⁷ PALM visa holders should not be an exception. If the PALM scheme is part of encouraging “more mobility from our region”⁶⁸, should it not also allow mobility for workers when they are in Australia?

Pay deductions

It is important to remember that the PALM visa is for workers in unskilled, low-skilled and semi-skilled jobs. As the figures earlier show, most PALM workers are employed in agriculture and meat processing, and nearly two-thirds work in the seasonal short-term stream. Table 3 below shows the award wages for meat processing and fruit and vegetable picking (part of the horticulture award), two common jobs for PALM workers. While workers have the potential to move up levels within these award structures, this may be difficult for PALM workers considering their temporary status. The Level 1 awards on this table – which is what PALM visa holders are likely to receive – are less than current minimum wage (\$23.23). To remedy this, the Approved Employer Guidelines were recently amended to stipulate that a worker must be paid the relevant rate of pay or minimum wage, whichever is higher.⁶⁹

⁶⁵ Australian Government (2023) *Migration strategy: Getting migration working for the nation*.

⁶⁶ Stevens (2023) *The government is bringing immigration back to ‘normal levels’ but cuts are not as dramatic as they seem*, <https://theconversation.com/the-government-is-bringing-immigration-back-to-normal-levels-but-cuts-are-not-as-dramatic-as-they-seem-219501>

⁶⁷ Australian Government (2023) *Migration strategy: Getting migration working for the nation*, p 47.

⁶⁸ Australian Government (2023) *Migration strategy: Getting migration working for the nation*, p 91.

⁶⁹ DEWR (2023) *PALM Scheme deed and guidelines notices*, <https://www.dewr.gov.au/pacific-australia-labour-mobility-scheme/consultations/pacific-australia-labour-mobility-palm-scheme-approved-employer-deed-and-guidelines/palm-scheme-deed-and-guidelines-notices>

Table 3: Meat processing establishment and horticulture award rates

Classification	Weekly pay rate	Hourly pay rate
Meat Industry Award [MA000059]		
Level 1	\$859.30	\$22.61
Level 2	\$888.10	\$23.37
Level 3	\$898.80	\$23.65
Level 4	\$919.80	\$24.21
Level 5	\$936.10	\$24.63
Level 6	\$955.30	\$25.14
Level 7	\$995.00	\$26.18
Horticulture Award [MA000028]		
Level 1	\$859.30	\$22.61
Level 2	\$882.80	\$23.23
Level 3	\$906.90	\$23.87
Level 4	\$939.70	\$24.73
Level 5	\$995.00	\$26.18

Source: Fair Work Ombudsman (n.d.) *Pay guides*, <https://www.fairwork.gov.au/pay-and-wages/minimum-wages/pay-guides>; Both awards published 30 June 2023. Table includes only base rates for full time and part time adult wages.

Once PALM workers start at these rates, costs associated with the visa application process are deducted from a PALM worker's pay. As the visa sponsor, the Approved Employer is responsible for supporting workers to arrive in Australia. Approved Employers must organise and pay for the worker's flights and other pre-departure and on-arrival costs. This includes providing a cash advance to the worker (minimum \$200). These costs are then deducted from the worker's pay once they start working in Australia.

Deductions are made for flights, travel to the work site, costs associated with the visa processing requirements (for example, obtaining health insurance, undertaking health checks, and police and/or character checks in Australia and in home countries), costs associated with setting up once in Australia (for example, bedding, food, phone and sim card, and clothing and shoes that are not part of a uniform or protective gear), accommodation (if accommodation is provided by the employer), as well as "any other deduction that is authorised by law under section 324 of the Fair Work Act or the applicable Fair Work Instrument and is agreed to [by the Department of Employment and Workplace Relations]."⁷⁰ Initial costs for flights, visas, and other on-arrival expenses are deducted until repaid, and other deductions continue weekly, such as those for accommodation, transport and health insurance.

The Approved Employer Guidelines state that "pay details, including deductions and evidence to support the deductions" must be recorded on payslips, and kept for seven

⁷⁰ Australian Government (2023) *Pacific Australia Labour Mobility scheme approved employer guidelines*, v.1.4, p 34.

years.⁷¹ This has not stopped employers from making unlawful deductions, which in some cases have left PALM visa workers with very little money – some have reported earnings of just \$100 to \$200 per week.⁷² This is a far cry from the amounts they could be left with and sending home to their families, based on what they can be earning, as Table 3 shows.

Perhaps the more important question is why these workers are responsible for repaying all these initial set up costs in the first place. Pointing to the example of the H2A agricultural temporary visa scheme in the USA,⁷³ others have recommended that employers or the government – and not PALM visa holders – should be solely responsible for the total cost of a worker’s flight.⁷⁴ Similarly, the Canadian Agricultural Stream states that “under no circumstances” can employers recover costs for transportation and health insurance from the temporary foreign workers.⁷⁵ For ongoing accommodation deductions, the Canadian program states that the maximum employers can deduct is \$30 per week, unless provincial labour standards specify a lower amount. Employers of certain livestock workers must also ensure that rent for off-site housing does not cost more than 30% of the worker’s gross monthly earnings.⁷⁶ In comparison, the PALM Approved Employer Guidelines merely state that adequate and decent housing should not cost more than a “reasonable proportion” of a worker’s income.⁷⁷ If other countries can offer these specific protections for temporary

⁷¹ Australian Government (2023) *Pacific Australia Labour Mobility scheme approved employer guidelines*, v.1.4, p 37.

⁷² Baker (2021) *Pacific island meat workers on \$9 per hour after wage deductions*, <https://www.smh.com.au/business/workplace/pacific-island-meat-workers-on-9-per-hour-after-wage-deductions-20210912-p58qyg.html>; Sullivan (2022) *Labour-hire firms leaving workers with \$100 a week after deductions not appropriate, minister says*, <https://www.abc.net.au/news/rural/2022-03-20/farm-worker-labour-hire-deductions-questioned/100922516>; Sullivan and Marie (2022) *Foreign farm workers left with just \$100 after week’s work as employer makes major deductions*, <https://www.abc.net.au/news/rural/2022-03-10/foreign-farm-workers-pocket-100-for-a-weeks-work/100898622>; Lewis (2022) *Pacific Islander farm workers demand justice after claims of ‘modern slavery’*, <https://www.sbs.com.au/news/article/pacific-islander-farm-workers-demand-justice-after-claims-of-modern-slavery/ylxf0k3wj>

⁷³ In this program, employers cannot deduct their attorney or agent fees, application fees, or recruitment costs from workers’ pay. See U.S. Department of Agriculture (n.d.) *H-2A Visa Program*, <https://www.farmers.gov/working-with-us/h2a-visa-program>

⁷⁴ Unions NSW (2022) *Empowering and protecting temporary migrant workers: key recommendations for the federal government to reform Australia’s temporary migration system*, https://www.homeaffairs.gov.au/reports-and-pubs/files/migration-system-aust-future-submissions/s-z/United_Workers_Union_2_of_2.pdf; ACTU (2022) *Building a stronger Pacific family: reforming the PALM scheme*, <https://www.dfat.gov.au/sites/default/files/2022-pacific-labour-mobility-consultation-submission-actu.pdf>

⁷⁵ Government of Canada (2023) *Hire a temporary foreign worker through the Agricultural Stream: program requirements*, <https://www.canada.ca/en/employment-social-development/services/foreign-workers/agricultural/agricultural/requirements.html>

⁷⁶ Government of Canada (2023) *Hire a temporary foreign worker through the Agricultural Stream: program requirements*.

⁷⁷ Australian Government (2023) *Pacific Australia Labour Mobility scheme approved employer guidelines*, v.1.4, p 68.

workers, then Australia could too. If PALM workers were not subjected to these initial costs, and ongoing deductions were more affordable, PALM workers would reap far more economic benefit from participation in the program.

In June 2023, the FWO secured over \$106,000 in court-ordered penalties against a labour-hire company for underpaying 87 workers employed under the Pacific Labour Scheme and the Seasonal Worker Program that became the PALM scheme.⁷⁸ This amount included compensation for “deductions from wages for accommodation costs that were unlawful because they exceeded the actual cost of the accommodation.”⁷⁹

After media reports and Senate Inquiries highlighted issues of underpayment and exploitation, the Australian Government recently made changes that guarantee all PALM workers a minimum take-home pay of \$200 after deductions.⁸⁰ It remains to be seen if this will be fully implemented and maintained for PALM workers. Some have suggested that long-term PALM workers should be allowed to manage their own payments (for bills, rent and so on) so that they can experience living a ‘normal life’ in Australia.⁸¹

⁷⁸ Fair Work Ombudsman (2023) *Queensland labour-hire company penalized*.

⁷⁹ Fair Work Ombudsman (2023) *Annual Report 2022-23*, p 28.

⁸⁰ Lewis (2022) *Pacific Islander farm workers demand justice after claims of ‘modern slavery’*, <https://www.sbs.com.au/news/article/pacific-islander-farm-workers-demand-justice-after-claims-of-modern-slavery/ylxf0k3wj>; Stayner (2021) *Government overhauls Pacific worker program amid concerns over exploitation*; Senate Select Committee on Job Security, see Public hearings 2 February 2022, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity; Joint Standing Committee on Foreign Affairs, Defence and Trade (2020) *Inquiry into Australia activating greater trade and investment with Pacific Island countries*, https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/TradeWithPacific; DEWR (2023) *Factsheet – Final PALM deed and guidelines settings – 5 June 2023*, <https://www.dewr.gov.au/pacific-australia-labour-mobility-scheme/resources/factsheet-final-palm-deed-and-guidelines-settings-5-june-2023>

⁸¹ Sistas, Let's Talk (2023) *What is it really like to work on the PALM scheme if you're a woman?* <https://www.abc.net.au/pacific/programs/sistas-lets-talk/sistas,-lets-talk/102864264>

Medicare and other benefits

Until recently, no PALM worker was granted access to Medicare. Nor have they been eligible to have their family come with them to Australia. However, as part of a trial due to begin in 2024, 200 long-term PALM workers will be permitted to bring their families to join them while they are in Australia. To be eligible, PALM workers must secure the “agreement of their employer”.⁸² Subject to legislation passing, the trial will grant these 200 PALM workers and their families access to Medicare, the Child Care Subsidy and the Family Tax Benefit.⁸³ Services Australia has been allocated \$1.8 million through to 2026–27 to implement this.⁸⁴ The children of these 200 PALM visa holders will also have access to public schools. Short-term seasonal workers are so far excluded from this trial, and it appears that only workers from Timor-Leste and Kiribati will be eligible to apply initially.⁸⁵ It is unclear whether partners (wives, husbands, de facto partners) will have unrestricted working rights compared to the primary PALM visa holder. Commentators point out that this could be a source of tension.⁸⁶

The Australia Institute conducted polling in August 2023 and asked respondents about their attitudes toward PALM workers being able to access Medicare. Figure 4 shows that seven in ten Australians (68%) agree that PALM visa holders should have access to Medicare while they are working in Australia.

⁸² PALM (2023) *Family accompaniment - frequently asked questions for workers*, <https://www.palmscheme.gov.au/resources/family-accompaniment-faqs>

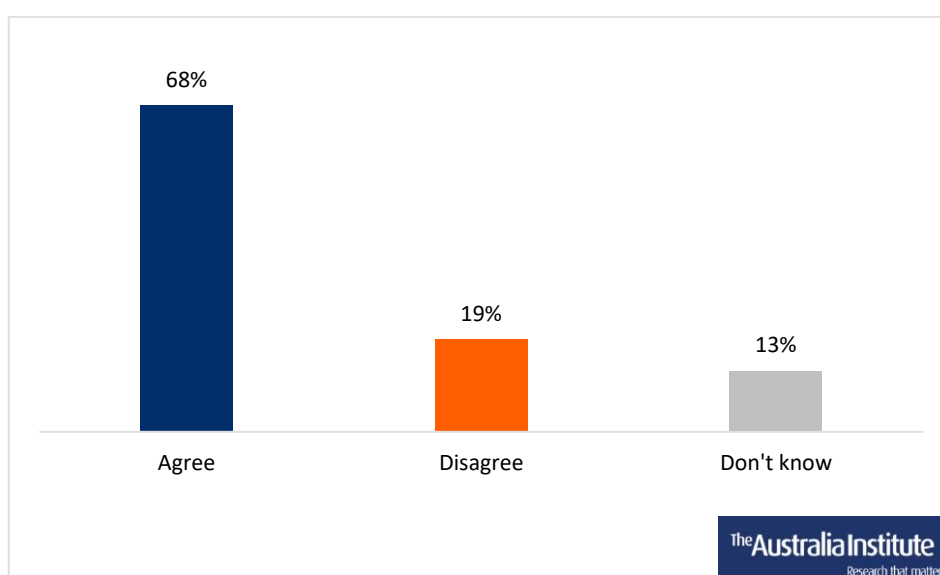
⁸³ Other benefits to be included are access to the Pharmaceutical Benefits Scheme, dental benefits for children, and the immunisation program. See PALM (2023) *What changes to the PALM scheme were announced in the 2023-24 Federal Budget?*, <https://www.palmscheme.gov.au/node/109>

⁸⁴ Services Australia (2023) *Budget 2023–24*, <https://www.servicesaustralia.gov.au/sites/default/files/2023-05/budget-2023-24-may-health-and-disability-4.pdf>

⁸⁵ PALM (2023) *Family accompaniment - frequently asked questions for workers*, 15 November 2023, <https://www.palmscheme.gov.au/resources/family-accompaniment-faqs>

⁸⁶ Sharman and Howes (2023) *Family accompaniment: divided employer views*, <https://devpolicy.org/family-accompaniment-divided-employer-views-20230304/>

Figure 4: PALM visa holders should have access to Medicare while in Australia



Source: The Australia Institute polling.

The International Labour Organisation (ILO) has said that excluding workers from the social security system constitutes a failure to meet their recommendations for migrant workers.⁸⁷ Public healthcare is especially important for manual labourers working in low-skilled and unskilled occupations, where the risks of injury and ill-health are high. One PALM worker owed a reported \$79,000 in medical bills after he was allegedly assaulted,⁸⁸ and another was billed thousands for the cost of giving birth.⁸⁹ Access to Medicare would allow PALM workers to maintain their health in an affordable way, unlike the current system that requires reliance on expensive private health insurance. An expansion of the family accompaniment program should enable more long-term PALM workers to take full advantage of living and working in Australia with their families. If Australian workers expect this social safety net, it is reasonable to provide it to workers filling gaps in essential industries.

⁸⁷ International Labour Organization (2022) *Seasonal worker schemes in the Pacific through the lens of international human rights and labour standards*, Technical report, p 61, https://www.ilo.org/suva/publications/WCMS_847010/lang--en/index.htm

⁸⁸ Kelly (2022) *Man hospitalised without Medicare after being set ablaze shows precarity of Pacific Island fruit pickers*, <https://www.theguardian.com/australia-news/2022/jul/31/man-hospitalised-without-medicare-after-being-set-ablaze-shows-precarity-of-pacific-island-fruit-pickers>

⁸⁹ Beazley (2022) *'No support': Pacific Island labour-hire workers fear \$6,000 cost of giving birth in Australia*, <https://www.theguardian.com/australia-news/2022/jul/23/no-support-pacific-island-labour-hire-workers-fear-6000-cost-of-giving-birth-in-australia>

Visa enforcement, compliance, and protection visas

Mounting reports of migrant worker mistreatment by the sponsors various kinds of temporary visas prompted a recent enforcement blitz by the Australian Border Force (ABF). Employers found guilty of non-compliance go on a public shame register.⁹⁰ Having a public disclosure register like this may deter employers from acting in exploitative ways that lead to breaches of visa obligations and may allow workers to be aware of dishonest employers. However, the register does not specifically say whether a listed sponsor is a PALM scheme Approved Employer. There are current recommendations to create a legislated prohibited employers framework that would formalise this process.⁹¹ Similarly, the December 2023 Migration Strategy advocates for a public register of approved sponsors to help with monitoring and oversight issues, and help migrant workers find new legitimate sponsors.⁹² The 2023–24 Budget included an announcement that the ABF will play an increased role to “preserve the [PALM] scheme’s integrity as it grows.”⁹³ This will allow the ABF to pursue workers who leave their Approved Employer without prior agreement, and to investigate employers who do the wrong thing.

Given the poor conditions and restrictions on movement it is perhaps not surprising that many PALM workers apply for a protection visa, which provides an avenue to unrestricted working rights.⁹⁴ Application numbers have been increasing in recent years.⁹⁵ Figure 5 below shows that from July 2018 to October 2023 a total of 3,351 applications were lodged for a Protection Visa (subclass 866) from PALM scheme participating countries, where a PALM visa was held at the time of lodgment. Lodgments from citizens of Timor-Leste (881) and Vanuatu (853) made up the highest portion, followed by lodgments from citizens of Tonga (541), Solomon Islands (437), and Samoa (332). As Figure 1 showed earlier, Vanuatu, Tonga,

⁹⁰ Whinnett (2023) *Companies exploiting migrant workers hit with fines and bans in Border Force blitz*, <https://www.theaustralian.com.au/nation/companies-exploiting-migrant-workers-hit-with-fines-and-bans-in-border-force-blitz/news-story/ca2adda910f68f9ccf219af9a044b6d8>; Australian Border Force (2023) *Register of sanctioned sponsors*, <https://www.abf.gov.au/about-us/what-we-do/sponsor-sanctions/register-of-sanctioned-sponsors>

⁹¹ Senate Legal and Constitutional Affairs Legislation Committee (2023) *Migration Amendment (Strengthening Employer Compliance) Bill 2023 [Provisions]* (report), https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/EmployerCompliance2023/Report

⁹² Australian Government (2023) *Migration strategy: Getting migration working for the nation*, p 76.

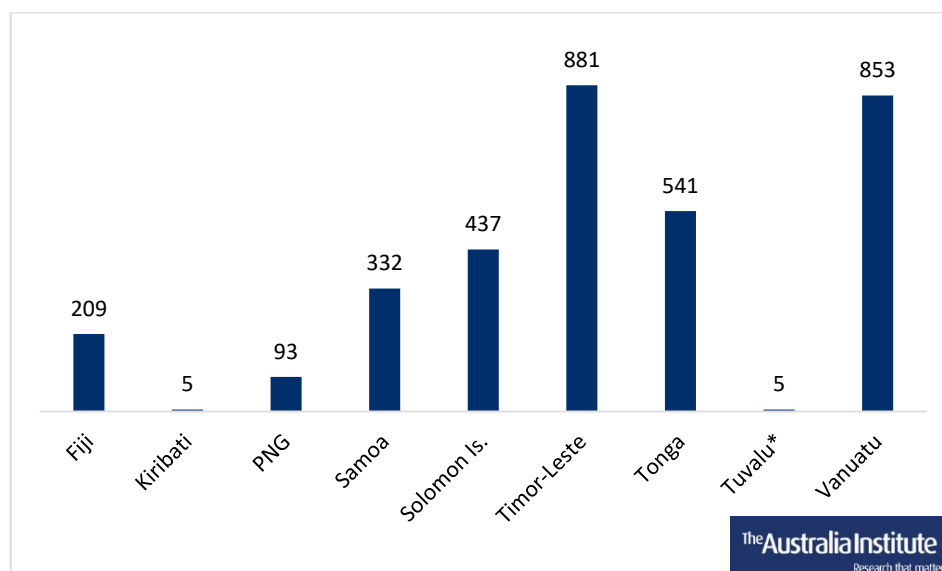
⁹³ PALM (2023) *Budget 2023–24 – PALM scheme reforms FAQs*, <https://www.palmscheme.gov.au/resources/budget-2023-24-palm-scheme-reforms-faqs>

⁹⁴ Kelly (2023) *Pacific Islander workers making as little as \$200 a week in Australia seek protection visas for better pay*, <https://www.theguardian.com/australia-news/2023/jul/23/pacific-island-labour-mobility-visa-protection-visa>

⁹⁵ Howes and Sharman (2022) *Further growth in onshore asylum applications from the Pacific*, <https://devpolicy.org/further-growth-in-onshore-asylum-applications-from-the-pacific-20221206/>

Timor-Leste and Samoa have the highest numbers of short-term PALM workers in Australia, while the Solomon Islands has the second highest number of long-term PALM workers.

Figure 5: Protection Visa, Onshore (subclass 866) lodgements by PALM visa holders, July 2018 to October 2023



Source: Data provided by the Department of Home Affairs. Data is for PALM visa holders at the time of lodgement. *For Tuvalu, the count is less than five, but presents on this chart as five as per DHA policy.

Tougher penalties should help address issues of non-compliance. This could include increasing the penalties for employers who breach their sponsorship obligations, establishing new offences for migrant worker exploitation, and introducing a prohibited employers framework, as has been proposed.⁹⁶ These changes would require employers to pay more and do more where previously they have not had to. But this is on the tail end of exploitation, after it has happened. To stop exploitation from happening in the first place, more widespread reform is needed to enforce non-compliance penalties for employers while also protecting vulnerable PALM workers in the process. The vulnerability factor needs to be removed for temporary workers to make it easier and less precarious to report wrong-doing and remain in Australia while doing so.⁹⁷ This would also include greater

⁹⁶ Senate Legal and Constitutional Affairs Legislation Committee (2023) *Migration Amendment (Strengthening Employer Compliance) Bill 2023 [Provisions]*.

⁹⁷ Howe (2021) Submission to Exposure draft – *Migration Amendment (Protecting Migrant Workers) Bill 2021*, <https://www.homeaffairs.gov.au/reports-and-pubs/files/exposure-draft-bill/exposure-draft-migration-amendment-protecting-migrant-workers-bill-2021/joanna-howe-submission.pdf>; Migrant Justice Institute and Human Rights Law Centre (2023) Submission to *Migration Amendment (Strengthening Employer Compliance) Bill 2023 [Provisions]*, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/EmployerCompliance2023/Submissions; Senate Legal and Constitutional Affairs Legislation Committee (2023) *Migration Amendment (Strengthening Employer Compliance) Bill 2023 [Provisions]*

portability for workers to leave unsafe situations as well as paying workers what they are entitled to in the first place.

CONCLUSION

For workers from Pacific Island nations and Timor-Leste, there are significant push factors contributing to the uptake in PALM visa applications. These include the disruption to tourist economies wrought by the COVID-19 pandemic, low wages, and of course the effects of climate change on established ways of life. These factors make working in Australia and the opportunity to earn Australian dollars – even on a temporary basis – an attractive proposition. But this does come with risks, both to individual workers – who are made vulnerable to exploitation – and to the home nations left grappling with their own labour shortages.

In 2022, after hearing of the unsafe and exploitative conditions that its citizens were subjected to whilst working in Australia and New Zealand, the Government of Vanuatu initiated a parliamentary inquiry into programs including the PALM scheme.⁹⁸ In Fiji, Prime Minister Sitiveni Rabuka is considering limiting the number of people permitted to participate in low-skilled and unskilled temporary worker programs, and has said he would prefer a focus on migration programs for skilled workers.⁹⁹ In Samoa, Prime Minister Fiamē Namoī Mata’afa has been critical of programs like the PALM scheme, arguing that countries like Samoa are not an “outpost” to “grow” workers for countries like Australia.¹⁰⁰ As an alternative, she has suggested that Pacific Island nations, including Australia and New Zealand, could form a common-market arrangement similar to the European Union so that labour migrants have more options.¹⁰¹ The Catholic Archbishop of Suva, Fiji, Peter Loy Chong, has also criticised the PALM scheme because “very little attention [has been] given to the welfare and the rights of the seasonal workers, who may subsequently face many different kinds of challenges.”¹⁰²

⁹⁸ Jackson (2022) *Vanuatu government launches inquiry into labour schemes after testimony from workers in Australia*, <https://www.theguardian.com/world/2022/feb/23/vanuatu-government-launches-inquiry-into-labour-schemes-after-testimony-from-workers-in-australia>; Vanuatu, Parliament, Committee on Economic and Foreign Policies, *Inquiry into the Vanuatu Labour Mobility Program*, <https://parliament.gov.vu/index.php/wcs/committee-on-economic-policy#call-for-submissions-3>

⁹⁹ Egan (2023) *Fiji PM hints at reducing PALM worker numbers*, <https://www.theweeklysourc.com.au/home-care/fiji-pm-hints-at-reducing-palm-worker-numbers>

¹⁰⁰ Dziedzic, Voloder and Raela (2023) *Pacific countries are not 'outposts' to grow labourers for Australia, Samoan PM says*, <https://www.abc.net.au/news/2023-08-31/fiame-samoa-pacific-labour-scheme-australia/102794256>

¹⁰¹ Dziedzic, Voloder and Raela (2023) *Pacific countries are not 'outposts' to grow labourers for Australia, Samoan PM says*.

¹⁰² Chong (2023) *The dark side of seasonal work*, <https://www.fijitimes.com/opinion-the-dark-side-of-seasonal-work/>

If Australia is to foster good relationships with Pacific Island nations and Timor-Leste, the concerns of Pacific leaders need to be taken seriously, and this means ensuring the working conditions are fair and reasonable. But this is about more than diplomacy. For Australia, the increasing reliance on temporary visa holders from Pacific Island nations and Timor-Leste is just the latest attempt to avoid dealing with poor labour conditions in certain Australian industries, particularly agriculture. Addressing the structural problems that have deterred Australians from working in jobs like fruit picking and meat processing would benefit not only PALM workers, but anyone who wants to work in these industries.

The PALM scheme has the potential to contribute to a long-term, mutually beneficial relationships between Australia and Pacific-Island nations and Timor-Leste. But this relationship will only prosper if it is built on mutual respect and high labour standards, even in low paid jobs. People who come to Australia to work on a temporary basis deserve the fair go that Australian society is supposedly built on.

Appendix: Polling

METHOD

Between 1 and 4 August 2023, The Australia Institute surveyed 1,501 adults living in Australia, online through Dynata's panel, with nationally representative samples by gender, age group and state/territory. South Australia and Queensland were "over-sampled" to produce more precise results, but weighting was used to ensure that people from these states were not over-represented in national results.

Voting crosstabs show voting intentions for the House of Representatives. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs.

The research is compliant with the [Australian Polling Council Quality Mark standards](#). The long methodology disclosure statement follows.

Long disclosure statement

The results were weighted by three variables (gender, age group and state or territory) based on Australian Bureau of Statistics "[National, state and territory population](#)" data, using the raking method. Those who answered the gender identity question as "Non-binary", "I use a different term" or "Prefer not to answer" had their responses included with females for the purpose of reporting, due to constraints from weighting data availability. This resulted in an effective sample size of 1,169.

The margin of error (95% confidence level) for the national results is $\pm 3\%$.

Results are shown only for larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Lower house voting intention was asked first, followed by upper house voting intention. Respondents who answered "Don't know / Not sure" for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. "Coalition" includes separate responses for Liberal and National. "Other" refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs.



DETAILED RESULTS

Preceding questions in the poll are expected to have influenced the results of the questions published here. The questions, and the response options for each question, are as follows.

The government has introduced a new visa – called the PALM visa – that allows people from Pacific Island countries (Fiji, Vanuatu, etc.) to come to Australia and work on a temporary basis. They mostly work in agriculture and meat processing. To what extent do you agree or disagree with the following statements?

‘PALM visa holders should be paid at least the legal minimum wage.’

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree
- Don’t know / Not sure

The government has introduced a new visa – called the PALM visa – that allows people from Pacific Island countries (Fiji, Vanuatu, etc.) to come to Australia and work on a temporary basis. They mostly work in agriculture and meat processing. To what extent do you agree or disagree with the following statements?

‘PALM visa holders should have access to Medicare while they are working in Australia.’

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>
Strongly agree	28%	29%	27%	26%	29%	30%	29%
Agree	40%	38%	41%	44%	39%	37%	37%
Disagree	11%	12%	11%	12%	11%	11%	10%
Strongly disagree	8%	10%	7%	7%	10%	7%	10%
Don’t know / Not sure	13%	11%	14%	11%	11%	15%	14%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly agree	28%	32%	24%	38%	10%	22%
Agree	40%	41%	40%	38%	36%	39%
Disagree	11%	9%	13%	8%	25%	7%
Strongly disagree	8%	6%	10%	5%	15%	13%
Don’t know / Not sure	13%	11%	13%	11%	14%	19%