

Neither temporary nor unskilled: the PALM scheme's proceeds to Australia

Submission to the Inquiry into the value of skilled migration to Australia

Dr Morgan Harrington

Dr Matt Withers

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Committee Secretary
Joint Standing Committee on Migration

Dear Committee,

Thank you for the opportunity to make a submission to the inquiry into the value of skilled migration to Australia. This submission addresses two of this inquiry's terms of reference:

- a) The ongoing economic, social and cultural value of skilled migration to Australia; and
- c) The scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities;

This submission relates to the Pacific Australia Labour Mobility (PALM) scheme.¹ The PALM scheme is a 'guestworker' program that allows people from nine Pacific Island nations and Timor Leste to work in unskilled, low-skill and semi-skilled positions across rural and regional Australia. PALM visas (Subclass 403) are granted for either nine months (as part of the "short-term" stream) or four years (as part of the "long-term" stream). There are more than 31,000 PALM workers in Australia.²

¹ Australian Government (2025) *Pacific Australia Labour Mobility*, <https://www.palmscheme.gov.au/>

² Australian Government (2025) *PALM scheme key monthly data*, <https://www.palmscheme.gov.au/palm-scheme-data>

PALM visas conditions are more restrictive than any other work visa in Australia's migration system. Participants cannot freely change employers, have no rights to family accompaniment, and possess no pathways to residency. Because of these restrictive conditions and the unique vulnerabilities they inform, an estimated 7000 people have left their employers and 'disengaged' from the programme.³ The scheme has been identified as a Modern Slavery risk by both the NSW Anti-Slavery Commissioner,⁴ and the UN's Special Rapporteur on contemporary forms of slavery.⁵

A more detailed discussion of the problems associated with the PALM scheme can be found in the attached paper *The PALM Scheme: Labour rights for our Pacific partners*.⁶

THE ECONOMIC VALUE OF THE PALM SCHEME

The best available evidence shows that, between 2018 and 2022, people employed in Australia on PALM visas generate nearly \$1 billion dollars in economic value, the vast majority of which stayed in Australia.

The Australian Government has consistently promoted PALM as a 'triple win'⁷ development assistance programme that benefits the Australian economy, migrant workers and their families, and countries across the region. But extant data shows that most of the money earned by PALM visa holders stays in Australia.

If data is collected about the economic benefits generated by people employed under the PALM scheme, it is not regularly published. Available data is limited to one slide

³ Petrou et al (2025) *If I stay like this, how can I benefit my family?*, p 1, <https://researchportalplus.anu.edu.au/en/publications/if-i-stay-like-this-how-can-i-benefit-my-family-initial-findings-/>

⁴ Office of the NSW Anti-slavery Commissioner (2024) *Be Our Guests: Addressing urgent modern slavery risks for temporary migrant workers in rural and regional New South Wales*, <https://www.parliament.nsw.gov.au/la/papers/Pages/tailed-paper-details.aspx?pk=189374>

⁵ United Nations General Assembly (2025) *Visit to Australia Report of the Special Rapporteur on contemporary forms of slavery, including its causes and consequences, Tomoya Obokata*, <https://docs.un.org/en/A/HRC/60/28/Add.1>

⁶ Adhikari, Anderson, and Harrington (2023) *The PALM Scheme: Labour rights for our Pacific partners*, <https://australiainstitute.org.au/report/the-palm-scheme/>

⁷ Parliamentary Library of Australia (2023) *The Pacific Australia Labour Mobility scheme: a quick guide*, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Quick_Guides/2023-24/PALMScheme

published by the Department of Foreign Affairs and Trade (DFAT);⁸ official guidance given to PALM scheme workers by Australian Aid;⁹ and a study by the World Bank.¹⁰ All three of these documents show that at least three quarters of the money earned by PALM workers stays in Australia.

A presentation given at the 2022 Australasian Aid Conference indicated that the total Industry Value Added from the PALM scheme was \$990m.¹¹ Of this:

- \$184m was saved and remitted to the Pacific and Timor Leste, including money earned as superannuation;
- \$806m remained in Australia. This included:
 - \$289m in direct profits to employers;
 - \$154.3m in combined tax revenue to the Australian Government;
 - \$136.7 in personal expenditure, spent by PALM visa holders in Australia;
 - \$74.2m in rent paid by PALM visa holders;
 - \$6.1m in donations given by PALM visa holders to community organisations within Australia;
 - A residual \$145.7.

If this slide is accurate, \$806m in benefits went to Australia, the wealthiest country in the region, while just \$184m went to workers from some of Australia's poorest neighbours: a ratio of over four to one.

This data covered the 11,087 PALM scheme workers in Australia between July 2018 and October 2022. As the number of participants in the PALM scheme has tripled since this presentation, it is likely that the gulf in benefits between Australia and its Pacific neighbours has significantly increased. This contradicts the Australian Government's claims that the PALM Scheme has positive developmental and diplomatic benefits. As

⁸ Shillito, C (2022) *The Long-Term PALM Scheme: Triple Win During The COVID-19 Pandemic and Beyond*, https://devpolicy.org/2022-Australasian-AID-Conference/presentations/PALM-scheme-during-COVID-19_CShillito.pdf

⁹ Australian Aid (2022) *PALM Payroll deductions explained*, <https://www.palmscheme.gov.au/resources/payroll-deductions-explained>

¹⁰ Doun, Dornan, and Edwards (2023) *The Gains and Pains of Working Away from Home the case of Pacific workers and their families*, <https://thedocs.worldbank.org/en/doc/8073a148cd9c02cad663b13aeeb1613d-0070012023/the-gains-and-pains-of-working-away-from-home-the-case-of-pacific-workers-and-their-families>

¹¹ Shillito, C (2022) *The Long-Term PALM Scheme: Triple Win During The COVID-19 Pandemic and Beyond*, p 11, https://devpolicy.org/2022-Australasian-AID-Conference/presentations/PALM-scheme-during-COVID-19_CShillito.pdf

these data are outdated, the release of updated figures would help clarify if the PALM scheme's stated goal of mutual beneficence is actually being met.

The figures from the 2022 DFAT presentation are broadly corroborated by World Bank survey estimates that suggest that between 65% and 78% of PALM workers' post-tax income is spent in the Australian economy.¹² Official advice about payroll deductions for PALM scheme workers also advises PALM scheme workers that it is possible to save or send home roughly one third of what they earn.¹³

A more detailed discussion of how Australia's tax and superannuation systems impact the ability of PALM workers to remit money earned in Australia can be found in the attached paper *PALM visas, superannuation and tax*.¹⁴

UNSKILLED LABOUR?

The PALM scheme was created in 2022 when two prior programs – the Seasonal Work Programme (SWP) and the Pacific Labour Scheme (PLS) – were merged.¹⁵ The original intention of the SWP was to fill labour shortages in agriculture, particularly during harvest times. In contrast, the PLS was initially focussed on “semi-skilled” roles in non-seasonal agriculture, tourism and hospitality, and aged care – this was intended as a way of fostering skills relevant to the participating countries of Kiribati, Nauru, and Tuvalu. While more than half of all PALM visa holders work in the agricultural industry, and more than a third work in the meat processing industry, most of the remainder are employed in accommodation or health care and social assistance.¹⁶ This means that employment under what has become the PALM scheme has never been entirely limited to short-term, unskilled roles.

The majority of PALM workers are now employed through the long-term stream, participation in which more than doubled in three years – from just over 7,000 in 2022

¹² Doun, Dornan, and Edwards (2023) *The Gains and Pains of Working Away from Home the case of Pacific workers and their families*, p 50,
<https://thedocs.worldbank.org/en/doc/8073a148cd9c02cad663b13aeeb1613d-0070012023/the-gains-and-pains-of-working-away-from-home-the-case-of-pacific-workers-and-their-families>

¹³ Australian Aid (2022) *PALM Payroll deductions explained*, p 2-3,
<https://www.palmscheme.gov.au/resources/payroll-deductions-explained>

¹⁴ Killen, Hawking, and Richardson (2024) *PALM visas, superannuation and tax*,
<https://australiainstitute.org.au/report/palm-visas-superannuation-and-tax/>

¹⁵ Petrou et al (2025) *If I stay like this, how can I benefit my family?*, p 2,
<https://researchportalplus.anu.edu.au/en/publications/if-i-stay-like-this-how-can-i-benefit-my-family-initial-findings-/>

¹⁶ Australian Government (2025) *PALM scheme workers' participation by industry*,
<https://www.palmscheme.gov.au/palm-scheme-data>

to nearly 16,000 in 2025.¹⁷ The number of PALM visa holders employed in health care and social assistance increased by over 500% between 2022 and 2024,¹⁸ and 1200 people now work in the sector as part of the scheme.¹⁹

Important questions of how ‘unskilled’ these workers actually are need to be answered. Although it is not mandatory under aged care legislation, a Certificate III in Individual Support (Ageing) is often considered a prerequisite for working in the sector. PALM scheme workers employed in aged care are required to have a Certificate III. This can be obtained through a pilot training program run by the Australia Pacific Training Coalition in Suva,²⁰ or in Australia through the ‘Aged Care Expansion’ (ACE) program.²¹ Indeed, this opportunity for skills development is sold as a major benefit of the scheme.

The expansion of the PALM scheme into the health care and social assistance industries is affecting the health care systems of the countries from which people are recruited. An in-depth study of health systems across the Pacific shows that the PALM scheme, through the ACE program, is recruiting skilled health workers from the Pacific, including registered nurses.²² These are skilled workers, even if they end up working in lower-skilled roles within the health and care industries once they arrive in Australia.

There is a shortage of healthcare workers in Australia that will only worsen as Australia’s population ages. This makes it a critical sector with a skills gap. The aged care sector has historically relied on new resident migrants, but this is changing with the expansion of the PALM scheme into this area.²³ Australian Anti-Slavery Commissioner Chris Evans, who in a previous role oversaw the first trial of what became the PALM scheme, has pointed out that the scheme has become “much more

¹⁷ Petrou et al (2025) *If I stay like this, how can I benefit my family?*, p 2, <https://researchportalplus.anu.edu.au/en/publications/if-i-stay-like-this-how-can-i-benefit-my-family-initial-findings/>

¹⁸ Australian Government (2024) *Pacific Australia Labour Mobility (PALM) Scheme Data report June Quarter 2024*, p 12, <https://www.palmscheme.gov.au/palm-scheme-data#null>

¹⁹ Australian Government (2025) *Pacific Australia Labour Mobility (PALM) Scheme Data report June Quarter 2025*, p 3, <https://www.palmscheme.gov.au/palm-scheme-data#null>

²⁰ Australian Government (2023) *APTC aged care plus pilot: evaluation findings May 2023*, <https://www.palmscheme.gov.au/research/aptc-aged-care-plus-pilot-evaluation-findings-may-2023>

²¹ Australian Government (2025) *What is the aged care expansion program?*, <https://www.palmscheme.gov.au/aged-care-expansion-program>

²² Macdonald, Heap, and Joyce (2025) *Addressing the health workforce crisis in the Pacific*, p 5, <https://australiainstitute.org.au/report/addressing-the-health-workforce-crisis-in-the-pacific/>

²³ Macdonald, Heap, and Joyce (2025) *Addressing the health workforce crisis in the Pacific*, p 7, <https://australiainstitute.org.au/report/addressing-the-health-workforce-crisis-in-the-pacific/>

complex” since it was expanded beyond seasonal work.²⁴ This inquiry presents an opportunity to stop and consider how appropriate the PALM scheme is for supplying labour to Australia’s care industries.

CONCLUSION

Despite claims that the PALM scheme provides a ‘triple win’ for Australia and its neighbours, the available evidence shows that Australia keeps the lion’s share of the economic benefits. Moreover, the tethering of visa holders to an employer has led to concerns – from national and international experts – that the program is facilitating modern slavery. As the scheme expands beyond its original goal of providing short-term agricultural labour and into the care industries, now is the time to address its underlying problems so that everyone working in Australia is given a fair go.

The PALM scheme, which delivers significant economic benefits while plugging a widening range of skills shortages, is increasingly vital to rural Australia. But the sustainability of this labour arrangement depends on the scheme delivering its stated goals of being mutually beneficial to workers and their countries of origin. The deprivation of human and labour rights, uneven economic returns, and an increasingly apparent brain drain that impairs regional care economies falls worryingly short of this promise. The implications of this ‘brain drain’ for Australia’s relationship with its neighbours need to be carefully considered.

If problems with the PALM scheme persist, they could threatened the diplomatic and economic relations that have so far underpinned labour mobility initiatives within the region – this would be to the clear detriment of Australia. The following recommendations are intended to help prevent this outcome.

Recommendations

1. The relative economic benefits of the PALM scheme should be more equitably distributed between Australia and participating nations. The deductions that employers are permitted to take from the pay slips of PALM workers should be reviewed with the aim of enabling PALM visa holders to remit more of the money they earn in Australia. Furthermore, to ease repayment timeframes, deductions could be managed through the Australian Taxation Office, similar to

²⁴ Evans (30 April 2025) ‘Modern Slavery Committee inquiry into modern slavery risks faced by temporary migrant workers in rural and regional New South Wales’, *Report on Proceedings*, p 30, <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3079#tab-hearingsandtranscripts>

the way HECS debts are managed. To ensure transparency, data on the value added to the Australian economy by the PALM scheme should be published regularly.

2. The PALM scheme needs to be reformed to ensure it does not pose a modern slavery risk to participants. This should happen before a larger number of businesses in a wider variety of industries begin to employ people under the scheme. Guaranteeing PALM visa holders the right change employers, and ensuring they are granted access to Medicare and safeguard that should be part of these reforms. Such reforms are essential if the PALM scheme is to fulfil its diplomatic role of contributing to a positive relationship between Australia and its nearest neighbours.
3. Any expansion of the PALM scheme into the aged care industry should also benefit the Pacific and Timor Leste. By directly investing in the essential care infrastructure of participating countries, the Australian Government could provide an opportunity both for outgoing workers to undertake necessary training, and for returning workers to be employed locally. This would facilitate a more genuine circulation of skills and experience.