

# Lifting productivity in agriculture, fisheries and forestry

Submission of The Australian Workers' Union

July 2025

## Introduction

The Australian Workers' Union (AWU) is one of Australia's largest and most diverse unions. We represent nearly 78,000 workers, including thousands of workers in horticulture, meat processing and elsewhere in the agriculture sector. This is a highly diverse workforce located across regional and suburban Australia. It counts citizens and members of diverse migrant communities among its numbers - with Pasifika and Timorese workers engaged through the Pacific Australia Labour Mobility (PALM) scheme a large and important cohort.

That PALM workers make up such a prominent part of the AWU's agriculture membership is unsurprising. PALM workers keep the sector moving, with around 6% of all workers in agriculture<sup>1</sup> now drawn from the scheme. In the meat processing industry, reliance is especially high, with the scheme supplying nearly one in three workers.<sup>2</sup> Agriculture – together with tens of billions in exports<sup>3</sup> and a strong history of productivity gains - would come to a stop without PALM. One recent study puts it succinctly: *"Employers increasingly rely on Pacific Islander labour and many would be lost without guestworkers."*<sup>4</sup>

The AWU welcomes the Commonwealth's resolve to investigate and advance measures to increase productivity in agriculture, while continuing to support improved labour standards in the sector. In our firm submission, a larger, stronger, optimised PALM scheme should be at the centre of these endeavours. The scheme offers a uniquely attractive combination of very high productivity and an increasingly robust regulatory framework to ensure workers receive fair recompense for their output.

## Productivity through PALM

The issues paper prepared by the Commonwealth to support the consultation makes plain the significance of labour market settings in advancing productivity: *"Labour availability and capability are central to lifting productivity...Access to a reliable and appropriately skilled workforce enables producers to make timely decisions."*<sup>5</sup>

The attributes referenced here closely reflect the capabilities of the PALM workforce. PALM workers are a reliable and highly capable resource. Critically, they are also an underutilised one - particularly relative to workers sourced through the Working Holiday Maker (WHM) program. Working holidaymakers are another prominent labour source in agriculture, with well over 10,000 such workers engaged in the sector at any one time.<sup>6</sup> In horticulture, PALM workers and WHM visa holders mostly perform the same duties – broadly, 'picking and packing' work on farms and associated processing facilities. The same is true in meat processing (though WHM visa holders are a smaller relative presence in that industry).

But while PALM workers are known for their high productivity, working holidaymakers represent a low output 'productivity bottleneck'. The Commonwealth's own research demonstrates that PALM workers in horticulture are up to 37% more productive than working holidaymakers, and 20% more so on average.<sup>7</sup> These findings closely reflect independent labour productivity assessments of Pasifika workers in horticulture, relative to WHM visa holders.<sup>8</sup> The Commonwealth's findings further suggest that in many horticulture workplaces, the average PALM

worker's productivity is equivalent to the top quartile of working holidaymakers performing the same work.<sup>9</sup> The vast productivity gulf in horticulture is consistent with the observations and experiences of AWU members and organisers in meat processing.

The Commonwealth should thus pursue a 'productivity through PALM' strategy - expanding the number of PALM workers in agriculture while reducing the proportion of the sector's workforce on Working Holiday Maker visas.

While the size of the PALM workforce has fluctuated recently, after rapid expansion from 2021 to 2023, the scheme is far from operating at capacity. Development policy experts and Pacific media report strong ongoing demand from workers in many countries for places in the scheme, and ample capacity in sender economies to accommodate its extension.<sup>10</sup> The prospect of further expansion is particularly notable in the Pacific's major population centres. Papua New Guinea, Fiji, Timor-Leste and the Solomon Islands are home to 95% of the working age population of PALM sender countries. But, collectively, just 0.25% of their working populace is engaged in the scheme (see table below). Even Samoa, having capped its PALM workforce due to domestic labour supply concerns, could nearly double deployment to the PALM Scheme before reaching its cap.<sup>11</sup>

***PALM workforce by sender country, relative to in-country workforce***

	Working age population	PALM workers	Percentage of working population in PALM scheme
Papua New Guinea	5,623,502	1,935	0.03%
Fiji	535,105	6,695	1.25%
Timor-Leste	697,956	4,750	0.68%
Solomon Islands	403,086	5,085	1.26%
<b>Major population centres</b>	<b>7,259,649</b>	<b>18,465</b>	<b>0.25%</b>
Vanuatu	156,395	6,400	4.10%
Samoa	99,215	3,245	3.27%
Kiribati	69,767	1,665	2.39%
Tonga	48,742	4,165	8.54%
Others	10,844	285	2.63%
<b>All PALM countries</b>	<b>7,644,612</b>	<b>34,225</b>	<b>0.45%</b>

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This begs a question: Given the obvious productivity benefits of engaging PALM workers, what is preventing further utilisation of the scheme by employers?

The answer is rooted in regulatory inconsistency. Too many unscrupulous employers rely on the WHM program rather than the PALM Scheme due to the opportunity it provides to undercut workers' pay and conditions below legal minimums and community expectations. Working holidaymakers have been identified repeatedly as highly vulnerable to employer exploitation in agriculture workplaces.<sup>13</sup> Despite clear dangers and the significant size of the holidaymaker-agriculture workforce, the WHM program offers no dedicated protections to address exploitation risk. As the PALM Scheme undergoes significant reform to safeguard workers from exploitation, WHM remains stagnant, with no such changes of any significance in nearly two decades. In short,

too many employers are choosing illicit labour cost suppression through WHM over legitimate productivity gains through the PALM Scheme.

To drive productivity through PALM, the Commonwealth should abolish all specified work requirements pertaining to agriculture under the WHM visa. In the alternative and at the minimum, it should abolish 'plant and animal cultivation' from the Working Holiday Maker program's specified work requirements. Such change would preserve the work and visa extension opportunities the WHM program offers to holiday makers while eliminating risks to both workers and productivity from their deployment in agriculture. Concurrently, the Australian Government should support an expansion of the PALM Scheme to cover the phasing out or scaling back of WHM visa holders in agriculture. To complement such efforts, DFAT - as the agency with principal responsibility for both the PALM Scheme and Australia's Pacific relationships - may need to develop strategies to improve perceptions of the scheme in countries sending relatively fewer workers.

**Recommendation:** The Commonwealth should abolish specified work requirements pertaining to agriculture under the Working Holiday Maker program. In the alternative, it should abolish 'plant and animal cultivation' from the Working Holiday Maker program's specified work requirements.

**Recommendation:** The Commonwealth should support an expansion of the number of PALM Scheme workers in agriculture, equivalent to the reduction in Working Holiday Makers in the sector.

## **PALM and labour mobility**

The AWU welcomes and supports the Commonwealth's recognition that '*improving workforce mobility can help workers operate more effectively*'.<sup>14</sup> Mobility is especially important in horticulture, where workers are asked to meet dynamic requirements around shifting harvest periods and work volumes as a matter of course. Optimising PALM Scheme visa settings offers a solution.

At present, the PALM Scheme does not effectively support labour mobility for workers during their time in Australia. In the AWU's experience, many PALM workers are eager to seek out alternative employers to provide additional hours of work, preferable rostering arrangements, and/or new workplace skills and experiences. Yet current visa settings restrict workers from switching between employers, even when a prospective alternate employer is an approved employer under the PALM Scheme. This patently inhibits productivity – preventing some of the sector's most productive workers from relocating to the sites most in need of additional labour. Compounding this issue, many employers turn to less productive working holidaymakers to meet labour shortages during peak periods.

The AWU acknowledges that recent reforms do afford PALM workers some leeway to change between approved employers. These changes were delivered with the commendable intent of helping workers exit exploitative employment situations. But the scheme still requires a worker to attain the approval of their current employer, as well as the Department of Employment and

Workplace Relations, before switching. These changes deny workers agency and leave considerable barriers and uncertainties around any change of employer. Reform to the PALM Scheme to allow workers to move easily between approved employers, at their sole discretion alone, is necessary.

**Recommendation:** The Commonwealth should reform the PALM Scheme to permit workers to move between approved employers without the need for consent from either their current employer or the Commonwealth.

## Critical incidents and pastoral care

The AWU also welcomes the link, identified in the Commonwealth's issues paper, between improvements to workers' safety and wellbeing and increased labour productivity.<sup>15</sup> While PALM workers are already more productive than their counterparts, many aspects of both the scheme and PALM workers' experiences are unique. These factors give rise to workplace safety and wellbeing issues, preventing many workers from reaching their full productive potential.

Notably, PALM workers' cultural and social experiences while living in Australia set them apart. Many PALM workers experience a profound sense of cultural dislocation and associated feelings of anxiety, isolation and uncertainty after arriving in Australia. The working and cultural environments they are placed in are typically highly unfamiliar. Many worksites within the scheme are also situated in regional and remote Australia, exacerbating feelings of isolation.

Such dislocation engenders risks to workers' wellbeing, and thus to their productivity. In some circumstances, it can lead to workplace disruption and even disengagement. It also gives rise to substantially increased risk of critical incidents<sup>16</sup> (see also below) and associated productivity harms.

Supporting PALM workers to address cultural dislocation is therefore essential. To this end, providing pastoral support for PALM workers would deliver a space for cultural and professional support, a gateway to social relationships, and ultimately an increased sense of community and belonging among workers. It could also facilitate engagement with social institutions in the wider community – for example, local churches and sporting clubs. For the Commonwealth, funding pastoral support would represent a low cost, high impact investment in workers' wellbeing and thus their productivity.

Beyond direct care responsibilities, pastoral support workers could also assist clients with education and upskilling during their time in Australia – either directly or by facilitating opportunities with third parties. This would provide further productivity benefits for Pasifika and Timorese workers both during their deployment in the PALM Scheme and following their return home.

Pastoral support would be most effective if delivered by community organisations with strong connections to PALM communities and workplaces.

**Recommendation:** The Commonwealth should fund a pastoral support program to address social dislocation and facilitate education and upskilling of PALM workers.

Moreover, regulatory uncertainty drives significant doubt as to how employers should respond to critical incidents involving PALM workers. The PALM Scheme's Deed and Guidelines do not prescribe adequate processes, nor mandate supports, to ensure an effective response to critical incidents on the part of workers, employers and government. Required actions and relevant lines of responsibility are often unclear. This uncertainty is compounded by the overlapping roles of several government agencies in administering the PALM Scheme, as well as the presence of both a labour hire firm and a host employer in many PALM employment arrangements. Confusion, uncertainty and duplicated effort from employers, workers and government often result. Moreover, workers are often placed at greater risk by an inadequate response to a critical incident.

New processes and mechanisms are required to address this deficiency. These should be prescribed in the PALM Scheme Deed and Guidelines as follows:

The Australian Government should:

- Clarify responsibilities and mandate response timelines for government, employers and other stakeholders after a critical incident is reported to the Commonwealth by an employer. Of particular importance is making it clear where the primary duty of care to the affected worker lies throughout the process.
- Provide services to support workers after a critical incident occurs.
- Ensure that PALM sending countries are aware of relevant Australian law and visa requirements.
- Work with sending countries to develop and implement processes for managing workers charged with criminal offences in Australia.

PALM Scheme approved employers should:

- Ensure they comply with their obligation to report all critical incidents to the Commonwealth as per the guidelines.<sup>17</sup>
- Provide general welfare support to workers after a critical incident has occurred, until such time as the incident is reported and the Commonwealth has assumed primary responsibility.

Sending countries should:

- Develop policies and procedures to provide support to PALM workers where they are involved in a critical incident - especially when charged with a serious criminal offence.

- Act as intermediary to keep affected workers' families informed as to developments and outcomes when a critical incident has occurred.
- Inform PALM workers on relevant Australian law prior to departure.

**Recommendation:** The Commonwealth should amend the PALM Scheme Deed and Guidelines to prescribe clear processes and responsibilities of itself, approved employers and sender countries in addressing critical incidents, as per the above.

## Further considerations

The abovementioned initiatives to expand and optimise the PALM Scheme also meet Commonwealth priorities for the agriculture sector, outlined in the issues paper, as follows:

- **Lifting standards, not compromising them:** In recent years, the PALM Scheme has evolved into a more effective mechanism for ensuring workers' minimum entitlements are met, especially relative to the WHM program. Expanding and optimising the PALM Scheme, and reducing agriculture employers' reliance on working holidaymakers, thus supports a lifting of labour standards and compliance with industrial law.
- **Advancing the national interest:** An expanded and optimised PALM Scheme wouldn't just support workers' needs and business' productivity ambitions. The program has also evolved into a pillar of Australian foreign policy – key to endeavours to make Australia the Pacific's partner of choice through economic development and stronger links to the region. Indeed, the AWU understands that the scheme ranks behind only climate change in the diplomatic priorities of Pacific states in their engagements with Australia. Supporting the scheme to be the best it can be therefore advances the national interest in a truly holistic manner.
- **Minimal or no budget impact:** The recommended amendments to regulations and visa settings could be implemented in a budget neutral manner,<sup>18</sup> while measures to advance workplace safety and pastoral care would have only minor budgetary impacts.

## References

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<sup>1</sup> Department of Employment and Workplace Relations (2025), 'Pacific Australia Labour Mobility Scheme data', Table 4. Available at <https://www.palmscheme.gov.au/sites/default/files/2025-06/PALM%20scheme%20data%20publication%20-%20May%202025.xlsx>;

Australian Bureau of Statistics (2025), 'Labour force: Employed persons by Industry sub-division of main job (ANZSIC) and Sex', Table 1. Available at: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/jun-2025/6291004.xlsx>

<sup>2</sup> Department of Employment and Workplace Relations (2025), 'Pacific Australia Labour Mobility Scheme data', Table 4. Available at <https://www.palmscheme.gov.au/sites/default/files/2025-06/PALM%20scheme%20data%20publication%20-%20May%202025.xlsx>;

Gonzales, K. (2025), 'Meat processing in Australia', IbisWorld. Available at: <https://my.ibisworld.com/au/en/industry/C1111/at-a-glance>

<sup>3</sup> Department of Agriculture, Fisheries and Forestry (2024), 'Snapshot of Australian agriculture 2024'. Available at: <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture#global-interest-in-emissions-and-sustainability-is-growing>

<sup>4</sup> Petrou, K. & Connell, J. (2023), 'Our 'Pacific family'. Heroes, guest workers or a precariat?', Australian Geographer, vol 54. Available at: <https://www.tandfonline.com/doi/full/10.1080/00049182.2023.2203348>

<sup>5</sup> Issues paper, p. 18

<sup>6</sup> Department of Home Affairs (2024), 'Working Holiday Maker visa program report', p. 8. Available at: <https://www.homeaffairs.gov.au/research-and-stats/files/working-holiday-report-june-24.pdf>

<sup>7</sup> Zhao, S. et al (2018), 'What difference does labour choice make to farm productivity and profitability in the Australian horticulture industry?', Australian Bureau of Agricultural and Resource Economics and Sciences. Available at: [https://www.palmscheme.gov.au/sites/default/files/2021-08/7b329a\\_dcf42e54705d4e299d2e480b966859bb.pdf](https://www.palmscheme.gov.au/sites/default/files/2021-08/7b329a_dcf42e54705d4e299d2e480b966859bb.pdf)

*Note: While Zhao et al (2018) concerns labour productivity in a predecessor program to the PALM Scheme, it nonetheless assesses horticulture workers from the 10 current PALM sender countries.*

<sup>8</sup> Ibid, p. 14

<sup>9</sup> Ibid, p. 14

<sup>10</sup> See for example:

Curtain, R. & Howes, S. (2024), 'Fiji replaces Vanuatu as top PALM sending country', ANU Development Policy Centre. Available at <https://devpolicy.org/fiji-replaces-vanuatu-as-top-palm-sending-country-20240723/>;

Turia, N. (2023), 'Can PNG really supply 8,000 people to work overseas?', ANU Development Policy Centre. Available at <https://devpolicy.org/can-png-really-supply-8000-people-to-work-overseas-20231107/>;

Fiji Village (2024), 'Temporary suspension for client registration till December for PALM and RSE Scheme'. Available at <https://www.fijivillage.com/news/Temporary-suspension-for-client-registration-till-December-for-PALM-and-RSE-scheme-xfr548/>

<sup>11</sup> Sharman, E. & Bedford, C. (2024), 'Samoa's shifting seasonal work priorities', ANU Development Policy Centre. Available at: <https://devpolicy.org/samoas-shifting-seasonal-work-priorities-20231117/>;

Department of Employment and Workplace Relations (2025), 'Pacific Australia Labour Mobility Scheme data', Table 1. Available at <https://www.palmscheme.gov.au/sites/default/files/2025-06/PALM%20scheme%20data%20publication%20-%20May%202025.xlsx>

<sup>12</sup> Population data estimated per United Nations medium variant projections, 2024. 'Working age population' defined per United Nations convention as a country's total population age 20-64.



United Nations Department of Economic and Social Affairs (2024), 'World population prospects 2024', Table 2. Available at: [https://population.un.org/wpp/Download/Files/1\\_Indicator%20\(Standard\)/EXCEL\\_FILES/1\\_General/WPP2024\\_GEN\\_F01\\_DEMOGRAPHIC\\_INDICATORS\\_FULL.xlsx](https://population.un.org/wpp/Download/Files/1_Indicator%20(Standard)/EXCEL_FILES/1_General/WPP2024_GEN_F01_DEMOGRAPHIC_INDICATORS_FULL.xlsx);

Department of Employment and Workplace Relations (2024), 'Pacific Australia Labour Mobility Scheme data', Table 1. Available at: <https://www.palmscheme.gov.au/sites/default/files/202408/PALM%20scheme%20data%20publication%20Jan%20-%20July%202024.xlsx>

United Nations Department of Economic and Social Affairs (2023), 'World Social Report 2023', p. 54. Available at: <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2023/01/2023wsr-chapter3.pdf>

See also Adhikari, A. et al (2023), 'The PALM scheme: Labour rights for our Pacific partners', The Australia Institute, p.11. Available at: <https://australiainstitute.org.au/wp-content/uploads/2023/12/P1478-The-PALM-Scheme-Web.pdf>

<sup>13</sup> Australian Workers' Union and Retail Supply Chain Alliance (2024), 'Submission: Department of Home Affairs: Review of Regional Migration Settings' p. 6. Available at: <https://storage.googleapis.com/assets.awu.net.au/2025/01/14095020/Review-of-Regional-Migration-Settings-RSCA-Submission53.pdf>

<sup>14</sup> Issues paper, p. 18

<sup>15</sup> Issues paper, p. 19

<sup>16</sup> A 'critical incident', for the purpose of the PALM Scheme, is defined in the PALM Scheme Deed, Clause 17.1

<sup>17</sup> Per PALM Scheme Guidelines, Clause 13.2.2

<sup>18</sup> *Note: Visa reform supporting labour mobility in the PALM Scheme may require the Commonwealth to commit some expenditure to services that connect PALM workers and alternate employers*