

Review into the impact of PALM Scheme Deed and Guideline settings

Submission of The Australian Workers' Union

September 2025

Introduction

The Australian Workers' Union (AWU) is one of Australia's largest and most diverse unions, representing nearly 78,000 workers across the length of the country and the breadth of the economy. We are the principal union for the agriculture workforce, and have thousands of further members in both the care and meat processing industries. We are thus proud to be Australia's PALM union – representing Pasifika and Timorese workers engaged in these industries through the Pacific Australia Labour Mobility scheme.

That PALM workers make up an important part of our membership, particularly in agriculture, is unsurprising. PALM workers keep agriculture moving, with around 6% of all workers in the sector now drawn from the scheme.¹ In the meat processing industry reliance is higher still, with PALM supplying nearly one in three workers.² These industries, together with tens of billions in related export earnings,³ would come to a halt without the PALM Scheme. One recent study puts it succinctly: *“Employers increasingly rely on Pacific Islander labour and many would be lost without guestworkers.”*⁴

As the PALM Scheme has grown in recent years, so too has its geostrategic significance. Recent setbacks with the Vanuatu and Solomon Islands governments⁵ reflect that intergovernmental partnerships and diplomacy in our region are an ever-more complex proposition. This only accentuates the need for Australia to optimise the PALM Scheme as a high-profile initiative touching a wide spectrum of citizens in nearly every Pacific state. Indeed, we understand that PALM now ranks behind only climate change in the diplomatic priorities of Pacific states in their engagements with Australia.

The rise and rise of the scheme makes it clear: No longer can PALM be viewed as a stopgap or a subordinate concern. Australia has embraced a large and permanent role for the scheme as critical to its economic and strategic outlook, and its good function must be an ongoing priority for policymakers. Supporting positive worker experiences, particularly ensuring they attain the full benefit of their rights and earnings in Australia, should be of the utmost concern.

To this end, the AWU has welcomed efforts by the Albanese Labor Government to optimise the scheme. Many Labor-led changes have been delivered through the scheme's Deed and Guidelines – including minimum hours, an expanded role for unions, and increased controls around deductions and related matters. These and other reforms have supported better economic outcomes, safer workplaces and more positive experiences in-country for thousands of PALM workers. This is to the credit of those responsible for the scheme.

But despite significant recent progress, PALM unquestionably remains a work in progress. PALM workers continue to report a range of issues to the AWU – including around excessive deductions, provision of substandard and unsafe accommodation and transport, and unfair rules governing access to superannuation.

The need for further work to build on progress in this space is reflected by independent experts. Despite praising Australia's global leadership in tackling worker exploitation, a recent report by the UN Special Rapporteur on contemporary forms of slavery notes "*serious concerns about the treatment of temporary migrant workers in Australia*", and calls for '*particular attention [to] be given to workers under the PALM Scheme*.'⁶ Likewise, the Fair Work Ombudsman continues to target horticulture, where the majority of PALM workers are employed,⁷ as a priority for monitoring.⁸

We note further the strong evidence that enduring shortcomings in PALM regulation - especially relating to underpayment, overcharging and worker safety – are a major driver of disengagement from the scheme.⁹ This is not a fringe issue: There are almost certainly many thousands of disengaged PALM workers across Australia.¹⁰ Despite being forced from the scheme by exploitation, these workers face greatly increased risk of mistreatment and even modern slavery after disengaging. Mitigating risk for disengaged workers has also strained community and government services in some regions.¹¹ As the NSW Anti-Slavery Commissioner has concluded, "*if not effectively managed, these negative externalities risk, over time, endangering lives, disrupting the social cohesion of rural communities, and eroding the social licence of [the PALM Scheme]*."¹²

In light of these concerns, the AWU welcomes the Commonwealth's review of key PALM Deed and Guidelines provisions, and particularly its focus on addressing exploitation risk and allowing workers to benefit from the scheme. We note that the Department of Employment and Workplace Relations (the Department) has resolved to focus the review on specific key provisions within the regulations. These provisions, in turn, are the focus of our submission.

The AWU acknowledges that getting PALM right for workers, our economy and strategic outlook is not just a question of optimising the Deed and Guidelines. In particular, it is imperative that the Commonwealth affords PALM workers genuine labour mobility and addresses the corrosive impact of 'specified work requirements' in the Working Holiday Maker visa (for PALM workers and backpackers alike). For workers' health and safety, access to Medicare is also required. These are real priorities for the AWU, though we pursue them outside the bounds of the Deed and Guidelines. Nonetheless, as the principal instruments regulating employer-worker and employer-government obligations within PALM, Deed and Guidelines reform is the optimum means of delivering several important and necessary changes. We urge the Commonwealth to approach the review with ambition befitting both the challenges at hand and the opportunity before it.

A summary of our recommendations is provided below. We would welcome any queries or opportunities to further assist the review.

Recommendations

- 1: The Guidelines should prescribe a cap on total deductions at 30% of a worker's gross wage per week.
- 2: The Guidelines should prohibit employers from passing on costs related to travel from a sender country and visa procurement.
- 3: Clause 5.1.7. of the Guidelines should be amended to prescribe the minimum net pay guarantee absent any repayment obligation.
- 4: The Commonwealth should increase the quantum of minimum net pay guaranteed by Clause 5.1.7. annually in line with inflation.
- 5: The Guidelines should include a clause requiring an approved employer to facilitate deductions to cover a worker's union fees if requested by that worker.
- 6: The Guidelines should prescribe clear accommodation standards, including a maximum ratio of workers per residence bedroom, bathroom, kitchen and laundry facility, and minimum indoor living space per resident rule.
- 7: The Guidelines should require the Department of Employment and Workplace Relations to inspect a residence proposed in an Accommodation Plan before it provides approval to the plan.
- 8: The Guidelines should permit a union to carry out an inspection of an approved residence, where it has a member residing in the residence that has made a complaint around its quality.
- 9: The Guidelines should provide that a worker must be paid for all explicit and de facto obligations to work as a driver.
- 10: The Guidelines should impose maximum working hours on any PALM worker deployed as a driver.

11: The Guidelines should clarify responsibilities and duty of care to affected workers, and mandate response timelines for employers and the Commonwealth, after an employer reports a critical incident.

12: The Guidelines should state that an employer must provide general welfare support to an affected worker after a critical incident occurs, until the Commonwealth has assumed primary responsibility.

13: The Guidelines should specify superannuation funds that have taken proactive steps to support PALM workers as preferred funds for the PALM workforce.

14: The Guidelines should include a clause outlining the role of unions in the operation and optimisation of the PALM Scheme.

15: The Commonwealth should deliver a dedicated plan and meaningfully increased resourcing to the Department of Employment and Workplace Relations to improve compliance with the Deed and Guidelines.

Minimum hours settings

The AWU understands that the Commonwealth recently took a decision not to amend the Guidelines to require employers to offer short-term PALM workers at least 30 hours of work every week.

This is a clear misstep and a disappointment to affected workers. The existing requirement to offer workers 120 hours' work every four weeks¹³ might appear to provide for the same outcome over the course of a worker's employment. However, in periods where workers are offered little or no work, the status quo leaves workers reliant on loans provided under the minimum net pay guarantee¹⁴ with all its associated issues (see below). This issue is most prevalent in horticulture, where employers are motivated to offer workers few or no hours during periods of inclement weather. The abandonment of reform also contradicts the government's enduring contention that it will move to a 30 hours per week requirement in 2026,¹⁵ and that current requirements are merely 'transitional'.¹⁶

It remains the AWU's firm view that a requirement to offer PALM workers 30 hours each and every week, unless an enterprise agreement provides otherwise, is optimal. We have not provided a recommendation in relation to this matter as we understand the Minister has signed off on the recent decision. We will closely monitor its impacts of and the need for change moving forward. For now, we suggest only that this regressive move underscores the need for positive reform to other aspects of the Deed and Guidelines.

Deductions

Excessive and unfair deductions remain a frontline concern for PALM workers. This is especially but not exclusively the case in relation to deductions for worker accommodation and transport (see also below). Employer malfeasance in relation to deductions has a major impact on workers' net pay, and thus the overarching benefits of their participation in the scheme and perceptions of their time in Australia. Overcharging also imposes unreasonable stress and uncertainty on workers. Recent reports by the RMIT Business and Human Rights Centre¹⁷ and the NSW Anti-Slavery Commissioner¹⁸ highlight much the same concerns.

The AWU acknowledges that the current Guidelines are not silent on these matters. Most notably, employers are required to cover a worker's accommodation and transport deductions for any week where they are offered less than 20 hours' work.¹⁹ That government has recognised vulnerability in relation to deductions is commendable. However, ongoing and serious reports from workers and experts alike suggest government must take a more strenuous and prescriptive approach to regulation in this area.

Excessive deductions should be addressed through a provision capping total permissible deductions at 30% of a worker's gross wage per week. The cost of any deductions exceeding this mark would be borne solely by the employer (rather than accruing as a debt to the worker).

While this rule would apply in relation to all deductions, it would be particularly effective at addressing overcharging for accommodation - typically a worker's largest recurrent expense. Related party transactions or simple indifference to overcharging in relation to accommodation appears very common (see below). Setting the cap at 30% would also be broadly consistent with Commonwealth guidelines around what constitutes rental stress for low-income workers.²⁰

Recommendation 1: The Guidelines should prescribe a cap on total deductions at 30% of a worker's gross wage per week.

The AWU is also concerned by the Guidelines' treatment of worker recruitment costs. Some recruitment-related deductions, including for transport from sender countries and visa-related expenses, are explicitly permitted by the guidelines.²¹

More generally, while the regulation does require approved employers to "*assist*" workers to meet recruitment costs, it does so by obliging employers to provide workers with a financial advance.²²

Debt bondage – a form of modern slavery - has been identified as a particular risk for PALM workers.²³ As such, it is the AWU's position that the Deed and Guidelines should prohibit all instances that may lead to a worker accruing a debt to an employer without a strong policy basis.

There is no such basis for major recruitment-related costs that the regulations allow employers to pass onto workers. Best practice in this area is well established - prescribed as it is by the International Labor Organization in its '*General principles and operational guidelines for fair recruitment*'. This provides that "*Governments should take measures to eliminate the charging of recruitment fees and related costs to workers and jobseekers... Prospective employers, public or private, or their intermediaries, and not the workers, should bear the cost of recruitment.*"²⁴ In defining 'recruitment fees and related costs', the guidelines explicitly include costs related to travel across and inside national borders, as well as expenses related to obtaining the requisite visa.²⁵

The Commonwealth should remedy this issue via simple, direct reform to reflect best practice. The Guidelines should prohibit charging workers for the cost of travel from a sender country to their place of accommodation or work, and for visa-related expenses, in any form.

Recommendation 2: The Guidelines should prohibit employers from passing on costs related to travel from a sender country and visa procurement.

Related to our concerns around unjustified charges and debt is design of the minimum net pay guarantee. As with the Guidelines' treatment of deductions, this provision suggests welcome acknowledgement of an important problem, though it is hampered by a flawed solution.

Clause 5.1.7. of the guidelines prescribes a minimum net pay guarantee of \$200 per week, but it provides further that "*debt repayment can be extended*". Approved employers thus meet the obligation by extending a loan to workers when their net weekly pay falls below \$200. As workers are of course required to repay this sum, the effect of the 'debt repayment' clause is no net pay guarantee

at all. Rather than providing for guaranteed payment, the provision is more akin to one allowing approved employers to function as payday lenders. It risks placing workers into debt (or further into debt) at a time when low income makes them particularly vulnerable, exacerbating debt bondage risks.

The minimum net pay guarantee should function as a legitimate backstop, ensuring workers are provided the money they need to meet their basic expenses when the scheme's minimum hours settings and or deductions rules have left them short. To do so, the Guidelines should be amended to reform the net pay guarantee as an actual guarantee of net weekly payment – that is, absent any repayment obligation. So that the provision remains of equal utility to workers, the Commonwealth should increase the \$200 net pay figure annually in line with inflation.

Recommendation 3: Clause 5.1.7. of the Guidelines should be amended to prescribe the minimum net pay guarantee absent any repayment obligation.

Recommendation 4: The Commonwealth should increase the quantum of minimum net pay guaranteed by Clause 5.1.7. annually in line with inflation.

Separately, several AWU members working in the PALM Scheme have requested that employers facilitate deductions to cover union membership fees. For these workers, such arrangements are a simple matter of administrative simplicity. Facilitating representation of PALM workers also advances oversight and governance of the scheme, given union's outsized role in identifying and remedying issues.

However, deduction of union fees is not addressed in the Deed and Guidelines, and employers have no incentive to accommodate this request. An easy fix is available: The Guidelines should include a clause mandating that an approved employer facilitates deductions to cover a worker's union fees, if requested by that worker to do so.

Recommendation 5: The Guidelines should include a clause requiring an approved employer to facilitate deductions to cover a worker's union fees if requested by that worker.

Accommodation standards

Both the affordability and the quality of accommodation provided through the PALM Scheme are foremost in the minds of workers and the AWU. Too many workers are overcharged for residences that are substandard, often to the point of being unsafe. This is a major driver of financial injustice as well as negative worker experiences and even disengagement.

Among many highly concerning reports provided to the union in this area, some AWU members report having to share a shower with nine workers each morning, and being housed in a bedroom with four, six or even eight other people. Such conditions are plainly unacceptable in their own right. But they can also be detrimental to workers' safety, especially for women. Moreover, these 'amenities' are often provided in dwellings intended for very short-term habitation, such as hostels.

Despite serious quality and safety issues, AWU members are typically required to pay around \$160 per week for such accommodation. This is plainly out of step with the rental markets in which most PALM workers are housed. In regional and rural areas housing large PALM communities, an individual might typically expect to secure their own room in a standalone, reasonably well-maintained house for around the same \$160/week figure that buys many PALM workers access to squalor.²⁶

Of further concern is that accommodation providers and approved employers are often closely related. This raises questions around provision of kickbacks from accommodation providers to employers. But even where this is not the case, the gulf between many PALM workers' costs and typical local rent prices suggests indifference to overcharging on the part of some approved employers.

The experiences of our members in this space are once again consistent with evidence from credentialled third parties. The NSW Anti-Slavery Commissioner

reports “*overcrowding, substandard and unsafe accommodation [and] frequent reports of price-gouging and overcharging for accommodation...Lack of safety in accommodation has also been raised as a key issue for women migrant workers, and a factor in gender-based violence.*”²⁷ The UN Special Rapporteur also notes that “*violence that can arise from reliance on employer-provided accommodation*” on the part of PALM workers and other temporary migrants.²⁸

The Guidelines do attempt to address overpayment and quality issues in accommodation. Approved employers are nominally required to ensure that accommodation is ‘*safe and secure*’, ‘*fit for occupation and use*’²⁹ and ‘*fair and good value for money*’,³⁰ among other related requirements. Employers’ proposed accommodation arrangements must be outlined in an ‘Accommodation Plan’, to be provided to and approved by the Department.³¹ Yet ongoing worker experiences make it plain that such principles-based requirements, assessed on a hands-off basis, are too easily subverted.

A 30% cap on aggregate deductions outlined above is critical to addressing overcharging for accommodation. But as regards housing quality and safety, a shift to more prescriptive requirements is required. Even Singapore – the subject of considerable scrutiny and frequent criticism for its temporary migration policies³² – has imposed minimum standards around the sharing of bedrooms, bathrooms, dining and laundry facilities, and a minimum living space per resident rule, for the dormitories that house much of its temporary migrant workforce.³³ Australia should take a similar approach at a standard reflecting local community expectations. The Guidelines should prescribe clear rules around accommodation standards. These should include a reasonable maximum ratio of workers per bedroom, bathroom, kitchen and laundry facility, as well as a minimum indoor living space per resident requirement.

The AWU understands that accommodation markets vary somewhat between regions, including those where PALM workers are commonly deployed. Nonetheless, we suggest it is reasonable that all employers are required to meet a basic standard for habitability and safety of workers’ lodgings, regardless of their place of operations.

In addition to minimum standards, the Guidelines should require government to take a hands-on role in verifying the suitability of accommodation provided to PALM workers. The Department should be required to inspect a proposed residence before providing approval for an Accommodation Plan. As anybody that has ever rented or purchased a property will attest, written descriptions and photos often provide a highly misleading impression of a dwelling's qualities. In-person inspection will provide much greater insight into a residence's suitability than desktop analysis of an Accommodation Plan.

To help prevent inappropriate residences from slipping through the cracks, the Guidelines should also empower a union to carry out its own inspection of an approved residence, where it has a member living in that residence and that member has made a complaint around quality of accommodation. This would provide unions with grounds to raise concerns with the Department around wrongful approval of substandard or unsafe dwellings.

Recommendation 6: The Guidelines should prescribe clear accommodation standards, including a maximum ratio of workers per residence bedroom, bathroom, kitchen and laundry facility, and minimum indoor living space per resident rule.

Recommendation 7: The Guidelines should require the Department of Employment and Workplace Relations to inspect a residence proposed in an Accommodation Plan before it provides approval to the plan.

Recommendation 8: The Guidelines should permit a union to carry out an inspection of an approved residence, where it has a member residing in the residence that has made a complaint around its quality.

The AWU recognises that accommodation is one area where improved regulatory settings do not offer a panacea. Housing markets across much of Australia, including areas where many PALM workers live, are tight. This limits quality options and drives up prices for both PALM workers and others in the community seeking accommodation. Localised housing undersupply is a particular concern

during surges to the PALM and temporary migrant workforce to meet peak demand periods in horticulture.

This problem calls for supply-side solutions, including direct investment in housing for PALM workers by government and approved employers. But the breadth of interventions required to address PALM workers' housing issues does not detract from the importance of the reforms outlined above. They are necessary to ensure provision of quality, safe accommodation, even in any future where undersupply of housing can be addressed.

Transport standards

Despite welcome improvements in this space as advocated by the AWU, room for improvement in the Deed and Guidelines' treatment of PALM workers' ground transport arrangements remains.

Some approved employers continue to approach the question of how to transport PALM workers from their accommodation to the worksite and other places they need to visit as a matter of imposing unpaid driving duties on a worker or workers. This often amounts to a significant obligation. Horticulture workers, especially, are typically required to travel long distances to access local amenities. Even where the requirement to work as a driver is not explicit, many workers feel obligated to their fellow workers to do so, due to an absence of alternative transport options.

Particularly given the highly physical, tiring nature of many PALM workers' core duties, the requirement to also work as a driver can carry significant safety risks. The AWU notes the multiple instances of fatal crashes involving PALM workers and mourns those affected.

The AWU's concerns around regulation of transport, and some of the risks it poses, are reflected in a recent RMIT study of PALM worker experiences in the meat processing industry. This provides, *"the responsibility of transporting colleagues extends beyond morning hours, with some workers also tasked with afternoon transport...[There have been] instances where refusing to drive colleagues due to illness resulted in termination of employment."*³⁴

The current Guidelines do compel payment for any driver duties “*given*” to workers by an approved employer, at least “*where this is a requirement under the Fair Work Act and/or any applicable Fair Work Instrument.*”³⁵ The regulation also imposes higher-level obligations on employers around driving, such as development of a ‘Transport Plan’ for PALM workers,³⁶ and obligations to “*familiarise*” workers holding a driver’s licence with local road rules, conditions and risks.³⁷

But transport is another area where workers would benefit substantially from clearer, more prescriptive requirements. To this end, the Commonwealth should amend the Guidelines to state that a worker must be paid for all explicit and de facto obligations to work as a driver. An ‘explicit’ obligation would be any stated requirement to perform these duties, be that for transport of workers to a job site or elsewhere. A ‘de facto’ obligation would arise in circumstances where workers in regional and remote areas have no practical choice but to rely on another worker to act as a driver to access amenities.

To mitigate driver fatigue risks, the Guidelines should also impose maximum working hours on any PALM worker deployed as a driver. This would complement and build on existing requirements that employers familiarise licensed workers with Australian driving conditions.

Recommendation 9: The Guidelines should provide that a worker must be paid for all explicit and de facto obligations to work as a driver.

Recommendation 10: The Guidelines should impose maximum working hours on any PALM worker deployed as a driver.

Welfare and wellbeing support: Critical incidents

Regulatory uncertainty and other deficiencies drive significant issues around the management of critical incidents³⁸ involving PALM workers. Among several concerns in this area is that the Deed and Guidelines do not prescribe adequate processes to guide an effective response to such incidents on the part of workers, employers and government. In effect, the regulations simply define the term

'critical incident' and impose an obligation on employers to report such incidents to the Department as soon as possible.³⁹

As a result, other actions required of employers when a critical incident occurs, as well as lines of responsibility more broadly, are unclear. This uncertainty is compounded by the overlapping role of several government agencies in administering the PALM Scheme, as well as the presence of both a host employer and a labour hire firm in many PALM employment arrangements. Moreover, this is one area where current supports available to workers are commonly insufficient.

The result of the above is confusion, uncertainty and duplicated effort from workers, employers and government when a critical incident takes place. Worse, PALM workers are often placed at increased risk by an inadequate response to a critical incident.

Both regulatory change and additional measures are required to address the inadequate treatment of critical incidents. As regards regulatory reform, the Guidelines should clarify responsibilities and mandate response timelines for both employers and the Commonwealth after an employer reports a critical incident. These provisions should make clear where the primary duty of care to an affected worker lies throughout the critical incident response process. In addition, the Guidelines should make clear that employers must provide general welfare support to an affected worker after a critical incident has occurred, until such time as the Commonwealth has assumed primary responsibility.

It is the AWU's position that these reforms need to be implemented in conjunction with parallel interventions – including new worker support services provided by Commonwealth and non-government actors, development of dedicated operational processes by government, and engagement with PALM sender countries. We explore these measures and the issue more broadly in a dedicated paper, published in 2024 and provided as **Attachment A**.

Recommendation 11: The Guidelines should clarify responsibilities and duty of care to affected workers, and mandate response timelines for employers and the Commonwealth, after an employer reports a critical incident.

Recommendation 12: The Guidelines should state that an employer must provide general welfare support to an affected worker after a critical incident occurs, until the Commonwealth has assumed primary responsibility.

Superannuation

The AWU is a leading voice in the ever-louder chorus of unions, employers, super funds and non-government actors calling for measures to improve PALM workers' access to their superannuation. PALM workers face significant barriers to accessing super earnings accrued in Australia. Chief among these are a claims system plagued by complexity and an unfair tax burden.

Around one third of all PALM workers are unable to access their super earnings – a figure that may rise to over 60% for workers from some countries.⁴⁰ Even for those that can access their super, taxation is a further and unreasonable impost. PALM workers' superannuation is first taxed at the standard rate of 15% upon deposit, then at a further 35% to 65% when claimed through the Departing Australia superannuation payment (DASP) process.⁴¹ This typically results in PALM workers ceding around half their super earnings in tax - a rate similar to that paid by some of Australia's highest earners. PALM workers depart Australia with a super entitlement of up to \$15,000:⁴² A substantial sum anywhere on earth, but especially in the Pacific and Timor-Leste. As the Lowy Institute has observed, being able to make use of the earnings “*can make a huge difference to the schools that your kids can go through, and to being able to see your doctor and go to hospital.*”⁴³

The AWU's work to address super access centres on simplifying the DASP process and requiring PALM workers to pay only the standard 15% tax on super deposits. But to help ensure that PALM workers can access a super fund that understands and supports their unique needs, we also submit that the Guidelines should nominate, as preferred funds, super funds that take proactive steps to

support PALM workers. This would be particularly beneficial for the many PALM workers with little or no knowledge of Australia's superannuation system.

AustralianSuper should be specified as one such fund. The fund is engaged with and responsive to the discrete superannuation challenges faced by the PALM workforce. It has taken steps to amend and improve PALM worker engagement and related processes, assisting workers to access their super after returning home. These actions reflect the fund's significant PALM membership across the agriculture, care and meat processing industries. Preferred status could be extended to any other fund that takes similar steps.

A 2024 paper outlining the AWU's PALM super reform position in full is provided as **Attachment B**.

Recommendation 13: The Guidelines should specify superannuation funds that have taken proactive steps to support PALM workers as preferred funds for the PALM workforce.

The role of unions

The AWU and other unions that represent PALM workers are key stakeholders in the PALM Scheme. We play an ongoing, critical role in supporting its good function, including through engagements with members and other PALM workers, identifying issues, advocating change, and providing a range of services to our PALM members. Simply put, the scheme would be much the poorer without us.

But unions' importance to the PALM Scheme is not reflected in its regulatory framework. The combined 245 pages of the Deed and Guidelines include just nine substantive references to unions. Five of these are found in a single clause relating to union involvement in arrival briefings⁴⁴ - an important function, but not nearly reflective of the scope of unions' role in the scheme. One mention commits government to notifying unions when it approves a recruitment application.⁴⁵ The remaining three references are essentially made in passing, without enshrining a particular role or imposing a particular obligation on unions.⁴⁶

Unions' officially peripheral status has sometimes been reflected in our engagements with government, and in the regulatory reform process. In August 2025, the Department amended the Guidelines to alter references to '*the relevant union*' to instead read '*a relevant union*'. Though this change risks impacting the AWU's role in the scheme, the Department assumed it was non-substantive and did not consult with it or any other union before proceeding.

Furthermore, the dynamic between the AWU and approved employers is decidedly uneven. The union enjoys productive relationships with some employers and their representatives. Most notably, we have partnered with Approved Employers of Australia to advocate reforms to PALM workers' super entitlements and regulation of critical incidents. But it remains the case that some employers seek to minimise our role in the scheme. These firms appear to regard any role for unions as a matter of cost and imposition, rather than a reflection of their workers' agency and important to both their operations and the wider PALM Scheme.

To reflect and safeguard our legitimate and important position, the Guidelines should make plain the role of unions in the PALM Scheme. The Commonwealth should insert a clause providing a clear outline of the role of unions in the operation and optimisation of the scheme.

Recommendation 14: The Guidelines should include a clause outlining the role of unions in the operation and optimisation of the PALM Scheme.

Compliance

Even if optimised (with the help of unions) to a point of near-regulatory nirvana, the Deed and Guidelines will fail to support a fair and successful PALM Scheme if they are not effectively enforced. As with any regulation, the efficacy of compliance and enforcement activities is as essential as its content.

It is the AWU's view that compliance with PALM regulations remains a considerable challenge. Apparent breaches triggering no action from government are common. These range from basic requirements, such as those around conduct of arrival briefings, through to contraventions of critical worker

protections. Ineffective compliance and enforcement is also self-perpetuating: Workers that believe an employer cannot be held accountable are much less likely to raise concerns externally.

We are of the belief that this issue reflects both a resourcing and a cultural challenge within the Department. Being widely dispersed throughout regional and rural Australia, many PALM worksites are inherently challenging to monitor. Compliance activities are both expensive and logistically difficult. But beyond this issue, we often observe a seeming reluctance by the Department to rigorously pursue compliance with PALM Scheme requirements. A 'softly softly' approach to enforcement, extending at times to an inclination to simply take employers at their word, often appears to be preferred.

The AWU's concerns are not just echoed but amplified by a range of expert stakeholders. Among them:

- **The UN Special Rapporteur** notes that *"many stakeholders report that [PALM] workplace inspections are insufficient, especially in rural or remote areas, as they largely depend on workers' reporting."*⁴⁷ The Rapporteur's top two recommendations for preventing modern slavery among temporary migrant workers relate to enhanced compliance activities.⁴⁸
- **The NSW Anti-Slavery Commissioner** finds that *"many temporary migrant workers consider that employers...are unlikely to be held accountable for violations of workplace rights or for abuse and exploitation. This perception of impunity jeopardises the integrity of temporary labour migration programs including [the PALM Scheme]..."*⁴⁹
- **The Migrant Justice Institute** reports that *"many workers are unable to determine whether deductions taken from their pay are lawful...For many workers, more than one deduction is made but only a total amount is listed."*⁵⁰ This practice appears to represent a blatant contravention of the Guidelines.⁵¹
- **The Fair Work Ombudsman** provides that it *"takes a proactive and targeted approach to addressing workplace law breaches in the agriculture*

sector as it continues to present as a high-risk sector for worker exploitation”⁵²

It follows that, beyond refining the Deed and Guidelines, the Commonwealth must deliver a dedicated plan and meaningfully increased departmental resourcing to improve compliance with PALM Scheme regulations. These efforts should include tracking compliance and enforcement actions, as well as observed rates of non-compliance among employers. The Commonwealth should also consider providing guidelines or other instructions to address the apparent reluctance to pursue robust enforcement.

Recommendation 15: The Commonwealth should deliver a dedicated plan and meaningfully increased resourcing to the Department of Employment and Workplace Relations to improve compliance with the Deed and Guidelines.

References

¹ 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>

² 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>;

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³ 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>

⁴ 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>

⁵ ABC News (2025), '*Albanese has found out nailing down Pacific agreements is harder than expected*'. Available at: <https://www.abc.net.au/news/2025-09-17/papua-new-guinea-defence-treaty-delays/105783902>

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³⁶ Guidelines, CI 10.11.

³⁷ Guidelines, CI 9.5.8., 9.8.1.

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