

# PALM scheme Deed and Guidelines Changes - FAQs

## Policy reform and consultation

### Why are you making changes to the PALM scheme?

- From April 2022, the Seasonal Worker Program (SWP) and the Pacific Labour Scheme (PLS) were brought together under the one scheme - the Pacific Australia Labour Mobility (PALM) scheme, supported through the new PALM visa. The implementation of the single PALM scheme Deed of Agreement and Guidelines reflects:
  - the alignment of SWP and PLS into one PALM scheme.
  - the Australian Government's commitment to increasing protections and eliminating exploitation of migrant workers and ensuring a reliable and productive workforce is available when there are not Australian workers to do the job.

### When did you consult with stakeholders?

- Consultation is embedded in the PALM scheme through many working groups and committees that include industry, Approved Employers, unions, civil society groups and other stakeholders.
- The Department consulted extensively over 18 months on potential changes to the PALM settings.
  - A public discussion paper was released in early 2021 with submissions closing on 18 July 2021.
  - Multiple consultations with PALM stakeholders occurred over November 2021 to March 2022 on potential changes to PALM settings. Feedback was incorporated into draft Deed and Guidelines.
- Further Australian Government policy reforms were included in the lead up to the October 2022-23 Budget and consultations continued in two phases:
  - Phase 1 - Over February to March 2023 extensive consultations occurred with partner countries and industry on operational policy settings for some proposed reforms (including receipt of 69 written submissions and 28 meetings).
  - In late April DEWR consulted directly with all partner countries' Labour Sending Units and Heads of Mission. 44 partner country representatives attended.
  - Phase 2 - Consultations occurred in May 2023 on the draft Deed and Guidelines (including receipt of 117 submissions, hosting 3 public webinars and 8 roundtable meetings with partner countries and industry representatives).

### When will the changes take effect?

- Changes will be introduced gradually over the next 12 months to enable Approved Employers time to adjust to the new settings.

## **PALM scheme changes**

### Why do we need to provide a minimum of 30hrs every week?

- Employers have always been required to offer short-term workers at least 30 hours per week however, this was averaged over a worker's entire placement (of up to 9 months).
- Workers who are offered fewer than 30 hours every week struggle to support themselves and their families. Reducing the averaging period in the short-term program will ensure workers receive a steady income over their entire placement. Many employers are already meeting this requirement.
  - PALM workers' visa conditions prevent them from seeking work outside the scheme to cover low work hour periods.
  - When workers don't receive sufficient hours they can accrue debt for things like accommodation, pay advance, flights and visas. The new arrangements will stop that accrual, encouraging workforce planning and better deliver a reliable and productive workforce for Australian industry.
- In the short-term stream (up to 9 months, the minimum hours requirement will be implemented in a phased approach.
  - There will be no change this calendar year (to Dec 2023).
  - From 1 January to 30 June 2024, employers can average over 4 weeks.
  - From 1 July 2024 employers must offer 30 hours every week.
- In the long-term stream (up to 4 years), the requirement will be implemented:
  - from 1 October 2023 for all new and existing recruitments) or from date of arrival of new recruits (whichever is earlier)

### What if employers can't meet this new minimum weekly hours requirement?

- DEWR recognises that extreme circumstances outside of an employer's control could impact their ability to meet the minimum 30 hours per week requirement. DEWR can take exceptional circumstances into account (such as disasters, extreme weather conditions) that prevent employers in impacted regions meeting the minimum hours requirement.
- The new guidelines enable short term portability arrangements to support employers to provide minimum hours to workers, and for approved employers to work together to meet their workforce needs.

### Why is there a need for minimum pay after deductions for workers?

- The PALM scheme Deed and Guidelines settings enhance worker protections.
- Early in their deployment, a PALM worker can be asked to repay the costs for flights, any pay advance and visa fees. These are usually repaid by pay deductions. When workers receive minimum hours the costs of repaying debts to their employer can leave them with insufficient income to sustain themselves and remit money home to support their family.

- The new requirement is being implemented to ensure at least \$200 per week after deductions is available to workers to ensure they are not left with an insufficient income.

*Most employers do the right thing, why are you targeting all employers rather than the bad conduct by a minority of employers?*

- The Government does not tolerate exploitation of any worker. The wellbeing of PALM scheme workers is of central importance to the Government and its Pacific and Timor-Leste partners.
- The changes will strengthen the Government's ability to target non-compliant employers and work with them to improve their operations or, where necessary, remove them from the scheme. They will also provide certainty to workers about their earnings and address drivers of disengagement.
- Adjusting the PALM settings will help address worker disengagement driven by low pay.
  - A better experience for PALM workers is also good for employers.
  - workers are less likely to disengage, ensuring a reliable workforce.
  - workers are more likely to return resulting in higher productivity.

*Why are PALM scheme workers being given minimum hours when other workers don't?*

- These workers are traveling thousands of kilometres to work in Australia contributing the viability and prosperity of regional communities. They are supporting themselves here and their families and communities at home. They make that decision based on the expectation of regular work.
- Unlike Australian workers, the visa conditions for PALM workers prevent them from seeking additional work outside the program.

*Will the Government review these settings at some point?*

- Changes are being implemented carefully to ensure the program continues to deliver wins for both workers and employers.
- A gradual introduction of some new settings will ensure sufficient time for employers and participating countries adjust to the changes.
- The department will monitor the impact of changes closely and continue to engage with all stakeholders to ensure the scheme delivers for everyone.

*Aren't you introducing additional red tape for employers?*

- The introduction of a single PALM scheme Deed and Guidelines, a new IT system and consolidation of domestic operations within DEWR all deliver efficiencies.
- The PALM scheme's Red Tape Reduction Working Group, which includes Approved Employer representatives, has supported changes to:
  - reduce approval times related to moving workers to new locations.
  - introduce mutual recognition of approved accommodation to streamline processes.

### Why do we need a Grievance Management process?

- A grievance management process is essential to ensure conflicts or concerns can be managed fairly. It also ensures workers feel comfortable coming forward with concerns and have information about how they can raise issues (for example, concerns about their accommodation).
- The Government has consulted extensively on the Grievance Management Policy including with unions and other worker advocates, industry and sending country representatives.
- The Government will implement the process carefully to ensure it improves the experience of both workers and employers.

### Will these changes increase costs for employers?

- ABARES has reported that seasonal workers on farms were on average 20 percent more productive than working holiday makers. Additionally, returning seasonal workers were on average 15 per cent more productive than new seasonal workers.
- Improved conditions for workers are expected to reduce disengagement and improve worker satisfaction, lowering costs for Approved Employers.