



Building a stronger Pacific family: reforming the PALM scheme

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Introduction

Australian Unions support the PALM program as an important development initiative that builds connections between Australian and Pacific Island and Timor-Leste workers, and enables workers to make a living and support their families. The protection of workers' rights must be central to the PALM scheme - moves to expand the scheme cannot be at the expense of worker protections.

The PALM scheme must be examined in the context of the broader issues which make temporary migrant workers vulnerable to exploitation – in particular, employer control over a worker's visa status and the inability of workers to change employers; labour hire companies engaging temporary migrant workers on conditions that are inferior to local workers directly employed at the same business; overcharging, excessive deductions and wage theft; and no access to Australia's social protection system. We welcome the announcements by the Australian Government regarding broader reforms to the migration system, including a package of reforms to address migrant worker exploitation, and the creation of the Pacific Engagement Visa. In addition to these broader reforms which will improve the situation for PALM workers, there are a number of other improvements that must be made to the program, as outlined in this paper, to ensure that workers' rights are respected and their experience in Australia is positive.

Expanding and improving the PALM scheme

Reject the concept of 'red tape'

- Australian Unions reject the concept of 'red tape', which creates a negative association with regulation. Regulation is an essential feature of PALM to ensure protections for workers.
- The 'red tape reduction working group', which does not have any union representation, is based on the one-sided view that 'red tape' – regulation – is burdensome for employers and should be reduced.
- While regulation should not be more burdensome than necessary to achieve a scheme with the highest protection for workers, we do not agree that an employer-driven 'red tape reduction working group' is the best vehicle to achieve this. Instead, this should be part of a more holistic agenda of reforming the PALM program to ensure the right balance between ensuring a high standard of protection for workers and encouraging employers to participate in the scheme. Unions would value the opportunity to discuss how to ensure easy access to worker-initiated portability in the scheme, for instance.

Ensure minimum pay

- All PALM workers should be guaranteed a minimum net pay of \$250 per week. The minimum pay must not take the form of a cash advance, which would put workers in more debt. This must be paid regardless of any right under statute, agreement or contract of employment to deduct wages for period of stand-down.
- The net figure of \$250 is the absolute minimum to enable workers to support themselves to meet living costs in Australia (and must be regularly reviewed to take into account variations in the cost of living) and send a sufficient amount home.¹ Post-deduction costs that workers must meet include fresh food, health insurance, phone bill, and sending money home to family. Sending money home is important to meet the development objectives of the scheme.
- Seasonal workers must be guaranteed both the minimum hours (we propose a minimum of 30 hours each week, with no averaging) and minimum net pay.

Ensure costs and deductions are fair and reasonable

- Unions note that over time, costs have shifted from employers to workers under the program.
- Unreasonable deductions are one of the main issues workers face on PALM, which often lack transparency and can leave workers with insufficient income to meet living expenses.
- Employers benefit from engaging PALM workers when they claim they are unable to find workers locally to do the work, therefore the costs associated with the worker's travel to the employer's worksite should be the employers responsibility. Employers should pay the total cost of the workers' flight, without deducting any cost from workers' wages, as occurs on similar programs eg. the US H-2A Temporary Agricultural Program.

Protect workers' rights

Along with broader reforms the Australian Government is undertaking to protect migrant workers, there are a number of reforms that must be made to the PALM scheme:

- It is crucial that workers are aware of their rights and have the opportunity to meet with the relevant union/s on arrival in Australia in paid time. Approved Employers (AEs) must provide at least 7 days' notice to the relevant union/s about on-arrival briefings, or make

¹ The average remittance amount between March-September 2020 for SWP workers was \$500 per month, noting that remittances decreased during this time due to the impact of COVID. See World Bank Group, 'Pacific labour mobility, migration, and remittances in times of COVID-19', 2021, Fig. 44, p. 74. <https://documents1.worldbank.org/curated/en/099120012012113001/pdf/P17163803caa380cd0a1600b18fddbf24d0.pdf>

arrangements for unions to address workers within 14 days if the union is unable to attend the arrival briefing.

- Unions should have input into the content of information that AEs must provide about workers' rights and responsibilities.
- Unions should have the ability to conduct unannounced monitoring visits to PALM worksites under their coverage, to complement the monitoring visits conducted by the Department.
- An advisor from the default superannuation fund should be required to spend sufficient time with the worker prior to departure to complete the relevant paperwork to receive a Departing Australia Superannuation Payment (DASP). The AE must arrange for this briefing and the completion of the paperwork on paid time.
- Relevant unions in Australia and Pacific countries, Timor-Leste and Vietnam must be invited to pre-departure briefings by the sending Government - this should be a requirement of country participation in the PALM program. Moreover, DFAT must ensure that sending country labour units are not discouraging workers from joining the union.
- The PALM program needs to establish a formal grievance policy that is appropriately resourced by the Government.
- The Grievance Policy must be designed in consultation with unions who represent PALM workers, and must include timeframes to ensure issues are dealt with in a timely manner.
- Participating countries should be kept updated regarding the number and nature of grievances in relation to their workers.
- It is not appropriate that the administration of the PALM scheme is outsourced to a private provider. The Pacific Labour Facility does not adequately engage with unions, which is inappropriate for a development scheme that should be setting the highest standards of workers' rights. The Australian Government should review the contracting arrangements for the PALM scheme, in line with the Government's policy aims in the Budget to cut spending on the use of external contractors. This review must be in consultation with unions.

Making seasonal/short term deployments more attractive for workers

Introduce worker-initiated mobility

- PALM workers must be free to move between AEs of their own volition once their initial costs have been paid off. Worker-initiated mobility must be a simple and efficient process for the worker to utilise.

- Existing mobility provisions for workers suffering exploitation should be improved to include consultation with the union and worker about where to move the worker next, and subject to the agreement of the worker. Unions should be empowered to do their own investigation into the issue.

Improve accommodation standards

Accommodation standards are in need of reform. Quality, availability and affordability of accommodation are the biggest issues:

- Accommodation standards must be improved, and include specifications such as minimum square metres, requirements for amenities (eg that kitchens have ovens), and maximum occupancy requirements.
- In addition, we remain concerned that workers are generally charged above market rates for shared accommodation. In order to seek a genuine, non-coerced agreement for deductions for accommodation, AEs must provide workers with options for other accommodation in the region, and there should be an independent verification of market rates.
- There is the need for a significant investment in purpose-built accommodation. This should be co-funded by industry and government.

Access to Medicare

- Australian Unions believe all temporary migrants should be given access to Australia's social safety protection system, including Medicare. Given the aid and development objectives of PALM, it is particularly important to ensure workers have access to Medicare and can seek treatment in a timely manner. Moreover, Medicare is designed to be accessible to low-income workers, and so is better suited to the PALM program than private health insurance which is costly and difficult to navigate. Unions are finding many workers are avoiding seeking treatment due to the complexity, cost, lack of providers in regional areas that will accept the NIB card, and difficulties accessing transportation to visit a health provider.

Expand opportunities for training and development

- Australian Unions support the PALM program providing skills development opportunities for workers, including those which would be transferrable to their home country.
- There should be an approved list of training organisations for Tier 3 and Tier 4 training, with a preference for TAFE, to ensure consistency and high-quality of training. Training provided in-person i.e. on-campus, should be preference over online training. There must be stringent transparency and accountability measures to ensure funding paid for skills

and training is spent as intended. AEs that apply for funding must demonstrate appropriate acquittal of any monies received. For the care sector, the skills development fund could include funding to support a staff member to provide 1:1 mentoring/on the job training.

Family accompaniment

- Australian Unions support the Australian Government commitment to allow long-term PALM workers to bring their families to Australia, and the creation of the new Pacific Engagement Visa (PEV) that PALM workers will be eligible to apply for, which will provide permanent migration pathways.
- Family accompaniment must be implemented in a way that provides appropriate support to Pacific workers and their families, paying particular attention to ensure:
 - a high standard of accommodation that is suitable for families
 - access to Medicare for the PALM worker and their family
 - on-arrival briefings, where the relevant union/s are invited, are provided to both the PALM worker and their spouse
- We recommend that at the outset as the scheme rolls out, returning workers be given priority to access family accompaniment given they have experience in Australia and will have had the opportunity to develop community links.

Relocating the Australian Agriculture Visa (AAV) within the PALM program

- Workers on the AAV stream must have the same protections as workers in the other streams of PALM.
- Participating employers must be subject to the same Approved Employer criteria as the rest of the program - industry self-regulated accreditation schemes such as Fair Farms are not a substitute for AE status and Government oversight.
- Australian Unions are open to trialing a 'market place' model in PALM that enables workers to apply for roles advertised by AEs and move between AEs.
- We do not support non-AEs hosting PALM workers.
- We do not support an expansion of the geographic coverage of PALM.

address

ACTU
Level 4 / 365 Queen Street
Melbourne VIC 3000

phone

1300 486 466

web

actu.org.au
australianunions.org.au