

# PALM minimum weekly hours

## Policy position statement

### Introduction

The PALM scheme allows eligible Australian businesses to hire workers from nine Pacific Island countries and Timor-Leste when there are not enough local workers available. The scheme helps fill labour gaps in rural and regional Australia, particularly in the agriculture sector, by providing access to a pool of reliable, productive workers.

The PALM scheme and participating Approved Employers are governed by a Deed of Agreement and accompanying guidelines, which outline their obligations and responsibilities. One specific setting in the guidelines requires employers to offer a minimum of 30 hours of work per week, with the hours currently averaged over a four-week period. This requirement is intended to ensure workers receive a consistent and reliable income while in Australia

### Position

The NFF Horticulture Council (**Council**) strongly opposes the planned changes to the PALM scheme that would require Approved Employers to guarantee 30 hours of work each week without the ability to average hours over multiple weeks. The Council advocates for a return to the requirement under the former Seasonal Worker Programme, of averaging the 30-hour guarantee over the course of a placement.

This position is based on the following key points:

1. **Redundancy:** Evidence suggest few if any employers are failing to meet the guarantee of 30 hours of work each week when averaged over the course of a placement. A recent survey conducted by the NFF and the NFF Horticulture Council revealed employers are averaging at least 36 hours while other surveys by the Department of Employment and Workplace Relations and the Australian Fresh Produce Alliance have found averages in excess of 40 hours each week.
2. **Duplication:** There are two (2) other settings in the PALM scheme that also provide a safety net for workers where earnings over a week are less than expected, including a minimum net pay guarantee of \$200 per week after tax and deductions and a requirement for employers to cover accommodation

and transport expenses where less than 20 hours have been offered in any week.

3. **Cost:** Approved Employers, and host employers where PALM workers are engaged through a labour hire provider, are required to pay top up amounts where the 30-hour guarantee has not been met over the averaging period. In the NFF employer survey, half of all respondents reported making top up payments, with an average shortfall of 19 hours over the four-week averaging period in place for that period.

No business in horticulture can afford to continue to incur such significant additional labour costs and survive.

4. **Equity:** An averaging period shorter than the course of a placement puts smaller businesses at a competitive disadvantage relative to larger operators. These businesses have limited flexibility in moving workers onto other roles or locations, leading them to rely on labour hire providers for sourcing PALM workers, which in turn increases their labour costs.

This inequity is undermining the competitiveness and viability of smaller agricultural enterprises, and where labour costs in horticulture amount to up to 60 percent of the cost of production, has the effect of distorting markets for fresh produce.

Where it results in top up payments, this setting creates inequities between PALM and other workers performing the same tasks. It is also likely to lead to PALM workers being preferred over Australian and other workers where hours available are limited.

5. **Demand:** The inability to average hours over multiple weeks has led to a decline in the engagement of PALM workers, with employers reporting difficulties in meeting the guarantee due to seasonal factors beyond their control.

Consistent with industry warnings, from January to December last year, the same period in which the 30-hour guarantee could be averaged over four weeks, there was a drop of nearly 20 percent in the number of workers in agriculture on the short-term stream, best suited to horticulture.

## Conclusion

The Council urges the Federal Government to reconsider its position on the PALM scheme's 30-hour work guarantee. Returning to the setting under the former SWP scheme of averaging hours over the course of a placement is crucial for the sustainability of the horticulture sector and the continued engagement of PALM workers. The Council remains committed to working with the government and other stakeholders to develop more nuanced and effective policy solutions that benefit both employers and workers.

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