

**Submission
No 12**

**INQUIRY INTO MODERN SLAVERY RISKS FACED BY
TEMPORARY MIGRANT WORKERS IN RURAL AND
REGIONAL NEW SOUTH WALES**

Organisation: The Australia Institute

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Modern Slavery Committee
Parliament of New South Wales

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Dear Committee Members,

We welcome the opportunity to make a submission to the inquiry into modern slavery risks faced by temporary migrant workers in rural and regional New South Wales.

Our submission, which discusses problems with the Pacific-Australia Labour Mobility (PALM) scheme, speaks to the following Terms of Reference:

- c) violations relating to wages, allowances, superannuation, leave entitlements, workers compensation, piecework payments, such as underpayment, excessive deductions and debt bondage arrangements;
- i) the impact of visa settings and conditions of employment on temporary migrant workers in rural and regional New South Wales.

The PALM scheme is often presented as a ‘win-win’ for Australia and participating countries. Yet mounting evidence suggests that visa conditions, including stringent restrictions on movement between employers, leaves PALM visa holders vulnerable to exploitation, forced labour, and human trafficking. As the report by the Office of the NSW Anti-slavery Commissioner that led to this inquiry shows, hundreds of PALM workers in NSW alone have sought humanitarian support, and six temporary workers have been referred to the Commonwealth Government’s Support to Trafficked People Program.¹

The wage deductions permitted under the PALM scheme – including for travel, accommodation, health insurance, and visa processing fees – are another cause for concern. Coupled with exacting tax settings, these wage deductions can leave PALM workers with little money to send back home – which is supposed to be the principal incentive for participation in the program.

To create fairer working conditions and remove the risk of modern slavery in NSW, we recommend the following changes to the PALM scheme:

Recommendations:

- Workers be granted the right to change jobs, and the power to leave exploitative employer situations;
- Workers be exempt from repaying upfront visa costs;
- Permitted wage deductions be fair and lawful, and deductions for accommodation be capped at 30% of monthly income;

¹ Office of the NSW Anti-slavery Commissioner (2024) *Be Our Guests: Addressing urgent modern slavery risks for temporary migrant workers in rural and regional New South Wales*, <https://dcj.nsw.gov.au/legal-and-justice/our-commissioners/anti-slavery-commissioner/news-and-media/nsw-anti-slavery-commissioner-urges-action-to-address-modern-sla.html>

- All PALM scheme workers be given access to Medicare while living and working in Australia;
- Legislation which penalises employers for not complying with fair work conditions be enforced.
- Superannuation and income tax requirements be reformed so that PALM workers are not economically disadvantaged.

In support of these recommendations, we have appended two recent Australia Institute reports on the PALM scheme. They are:

- *The PALM scheme: Labour rights for our Pacific partners (2023)*
- *PALM visas, superannuation and tax (2024)*

Regards,

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