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

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Committee Chair, Mr Joe McGirr Modern Slavery Committee Parliament of New South Wales

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To the Committee Chair, Mr McGirr,

Re: Submission to the Modern slavery risks faced by temporary migrant workers in rural and regional New South Wales

Thank you for the opportunity to make a submission to the inquiry. We are three researchers who are investigating the issues related to worker exploitation and disengagement from the Pacific Australia Labour Mobility visa scheme. We have all conducted extensive research on the PALM scheme¹ and other temporary visas granting employment in regional and rural settings. Our combined research in this space shows the many risks and issues that contribute to factors that fall under modern slavery for temporary migrants who are working in regional and rural Australia.

In our current project we are tracing the reasons for people disengaging from the PALM visa, which has left thousands of people in precarious or undocumented visa status. Our recent interviews in the Riverina region of NSW highlights some of the urgent issues that need addressing to better support people who have left the PALM visa, and the need for reform across all levels of government to support people who are still currently on the PALM visa, or for the employers and communities that are hosting PALM workers.

Our submission addresses several areas identified in the Terms of Reference, but most specifically we can speak to:

Point i) the impact of visa settings and conditions of employment on temporary migrant workers in rural and regional New South Wales

Snapshot of our previous research on the PALM scheme

In our individual and combined research projects, we have conducted hundreds of interviews with people who have been employed on the PALM scheme, as well as a range of stakeholders such as local employers and businesses, industry stakeholders, and community support organisations that employ, accommodate, and support these migrant workers.

¹ Examples of our public research outcomes are:

[&]quot;We asked for workers and got people — inside the temporary visa scheme putting food on your plate", *ABC Radio National*, 4 June 2025, https://www.abc.net.au/listen/programs/bigideas/australia-pacific-palm-visa-seasonal-work-farming/105323090

Withers, M., Petrou, K. and Tanghwa, J. 2023. *Together, Apart: Youth Perspectives of Labour Mobility in Vanuatu*. Australian National University: Canberra. Available at: https://www.togetherapart.site/about

Barry, K., Azeredo, R., Balle-Bowness 2023. *Turbulent Times: The State of Backpacking and Seasonal Farm Work in Australia* [Report]. Available at: https://www.griffith.edu.au/ data/assets/pdf_file/0026/1686104/Turbulent-Times The-state-of-backpacking-and-seasonal-farm-work 2023-report.pdf

A common theme running throughout our previous and current research project has been that the PALM visa has created a large cohort of people who have left the visa – commonly referred to as "disengaged" or "absconded" workers – who are now faced with precarious, exploitative, and uncertain migration status as an undocumented person living and working in Australia.

In Dr Barry's research,² which has included interviews with 90 PALM visa holders working in horticulture, and 60 stakeholders (e.g. farmers, labour hire contractors, accommodation providers, local government, police, and community organisations), there are tensions between the ways that the PALM scheme is regulated for employers, and the need for more flexibility and choice for PALM visa holders. Overwhelmingly, PALM visa holders expressed that they wanted more choice in their employment, and the ability to move between employers. Many said they had no choice or say over their employment location, job type, and felt unable to ask for a transfer to another employer if the situation was not suitable. In addition, Dr Barry's research has found that culturally appropriate training is required for both the induction of PALM workers pre-departure, but more importantly, for employers and supporting staff in Australia. There is need for communities that host and support PALM workers to have adequate cultural literacy and understanding of Pasifika peoples they would be working with.³ This dependency on an individual's employer – who is tied directly to their future visa prospects – and the rigid immobility that the PALM scheme has created, is a clear area where miscommunication and room for exploitative actions can and do take place. Most concerningly was that 94% of PALM visa holders interviewed in Dr Barry's study said they knew someone from their workplace who had disengaged from the PALM visa.

Dr Petrou has worked on the PALM scheme in various capacities since 2012 including as a researcher and consultant and through employment at multilateral organisations. Her research⁴ has repeatedly pointed to the huge power imbalances inherent in the PALM visa settings that tie visa holders to particular employers. Across various research projects spanning more than a decade, Dr Petrou has spoken to PALM visa holders who report living and working conditions that leave them feeling like 'a slave'. While mechanisms exist for PALM visa holders to report workplace and other issues, these are slow and often do not work in practice. A cultural reluctance to question authority as well as language issues contribute to difficulties in speaking out about and reporting unsatisfactory living and working conditions. There are many positives about the PALM scheme, however more needs to be done to ensure visa holders are able to exercise workplace rights without experiencing negative consequences.

Since 2019, Dr Withers has been conducting research that focusses on the experiences of Pacific and Timorese workers participating in the long-term stream of the PALM scheme, formerly known as the Pacific Labour Scheme. This research has entailed over 150 in-depth interviews with PALM visa holders, their family members, and government stakeholders. One persistent finding – cutting across countries of origin, locations in Australia, and industries of employment – is that exploitation is commonplace and exacerbated by an inability to freely change employers. Participants in this research reported a wide variety of grievances that are inconsistent with basic human and labour rights, including wage theft and forced labour practices, excessive deductions for accommodation and transport, unsafe working and living conditions, insufficient access to healthcare, and detrimental wellbeing outcomes linked to family separation. These issues arise, in large part, due to the significant power imbalance between PALM workers and the approved employer their visa

² Dr Kaya Barry receives funding an Australian Research Council – Discovery Early Career Researcher Award, 2022-2025 (project number DE220100394).

³ Barry, K. 2023. Reaping what we sow: cultural ignorance undermines Australia's recruitment of Pacific Island workers. *The Conversation*, 20 January 2023, available at: https://theconversation.com/reaping-what-we-sow-cultural-ignorance-undermines-australias-recruitment-of-pacific-island-workers-197910

⁴ Petrou, K., & Connell, J. 2018. "We don't feel free at all": temporary ni-Vanuatu workers in the Riverina, Australia. *Rural Society*, 27(1), 66-79. https://doi.org/10.1080/10371656.2018.1443415

Petrou, K., & Connell, J. (2022). The New Blackbirds?. In *Pacific Islands Guestworkers in Australia: The New Blackbirds*? (pp. 385-428). Springer. https://link.springer.com/book/10.1007/978-981-19-5387-3

status is tied to⁵. While many employers do operate in good faith, others take advantage of PALM workers' dependent status. Without recourse to freely change employers, PALM workers reported little opportunity to exercise agency: they either had to accept the circumstances of their employment, whether legal or not, or disengage from the scheme. 'Luck of the draw', as employer sponsorship was often seen by research participants, is not a sound basis for safeguarding rights and is a major risk factor for modern slavery⁶.

A journey from PALM worker to an undocumented 'disengaged' worker

The PALM visa provides the visa holder with either a nine month 'seasonal' contract, or a 'long term' contract of up to four years. During this time, the visa holder is obligated to their employer (termed the "Approved Employer", or "AE"), who may be the farmer or business owner on which property they work (e.g. the farmer who owns and operates the farm site), or it may be an Approved Employer who acts solely as a labour hire contractor that funnels their employees to labour shortages for local businesses. If a person leaves or stops working for that employer, and does not depart Australia and return home, they void their visa status and become undocumented, and would need to apply for another visa (e.g. a bridging visa), and are commonly referred to as a "disengaged" or "absconded" worker. This is the case even when disengagement has occurred as a result of unscrupulous behaviour (e.g. providing poor living or working conditions) on behalf of the employer.

Our interviews for this current study in the Riverina region on reasons for disengaging, as well as in our prior research projects, has indicated there is a distinct journey that many disengaged PALM workers have taken. This is summarised in the flow chart below:

Initial employment on the PALM scheme

Participants were employed via an Approved Employer.

Disengagement from the PALM visa

Individuals leave their employer due to a variety of reasons (factors we have been told in interviews include: exploitation, underpayment, abuse, inadequate hours provided, or excessive deductions for accommodation or transport)

Arrival in the Riverina region

All participants said they specifically chose to come to the region via referrals (family or friends, former work colleagues, support organisations). The region is not only a key site for food production and associated employment in Australia, but also has a reputation as a welcoming and safe place for people regardless of visa status.

Informal employment

All participants were currently employed via contractors, despite some participants having no working rights. Not eligible for Workcover.

Visa applications

Participants had been approached by "migration agents" who offered to lodge applications for a Temporary Protection Visa, paying between \$300 to \$1000.

Community support

Assistance with housing, urgent healthcare, food and subsistence, and assistance with bridging visa applications, legal documents, etc.

⁵ Withers, M. 2024. The Pacific Australia Labour Mobility scheme is helping some workers but harming others – it needs to be reformed. *Lowy Interpreter*. https://www.lowyinstitute.org/the-interpreter/pacific-australia-labour-mobility-scheme-helping-some-workers-harming-others-it

⁶ Withers, M. 2024. Promoted as a win-win, Australia's Pacific island guest worker scheme is putting those workers at risk. *The Conversation*. https://theconversation.com/promoted-as-a-win-win-australias-pacific-island-guest-worker-scheme-is-putting-those-workers-at-risk-240333

As the flow chart summarises, there are a range of factors for what pushes people to choose to leave their arranged employment and subsequently disengage from the PALM visa. In our preliminary interviews to date (May-June 2025), we have spoken directly to around 20 former PALM visa holders who have disengaged. All cited substantial factors that made them decide to leave their arranged employment, such as: underpayment, poor accommodation facilities, racialized and sexual abuse, excessive deductions, and a lack of employment hours offered. These factors have been well documented in our own research and in many other studies as key risks to PALM workers (and many other temporary visa holders, such as Working Holiday Makers).

Currently there are no publicly available data on the numbers of disengaged workers in a specific state or region. Our interviews with community support staff and organisations in the Riverina region suggest that, through anecdotal evidence, there are hundreds of disengaged PALM workers living in the Riverina region.⁷ The majority of these people, we understand, are either on bridging visas or have no visa and are undocumented.

The disengaged PALM workers we spoke to were on a mixture of bridging visas, or have no current visa. They have told us during interviews that they are all currently employed (informally) in the Riverina region by labour hire contractors. Although they said their pay was reasonable and comparable to the minimum casual wages for their industry of employment, several people we interviewed had debts, and several had previously paid for assistance to what they called "migration agents" who had promised them Temporary Protection Visas and made applications on their behalf (none of them had resulted in a positive outcome). None of them have access to health insurance or Medicare. All were concerned about their lack of visa status and options to continue living and working in Australia.

All participants we spoke with wanted to return to working lawfully in Australia. They were open to either returning to the PALM visa, but with their own choice of an employer, or to another form of visa or industry that matched their existing skillset. Importantly, these individuals were all making important economic contributions to the local economy and, more broadly, support Australia's food systems. Despite their current precarious migration status, the people we have interviewed were all in employment that they were currently satisfied with, yet concerned about the fact they were working unlawfully, and ineligible to any formal support from the PALM scheme or the government. All either were presently relying on local community organisations (largely volunteer based) or had done so in the past when they needed assistance.

Some reasons for disengagement may have been alleviated in recent changes to the PALM deed and guidelines

There are several factors that also need to be considered when assessing how and why people have previously disengaged, which may have been partly resolved in the current framework of the PALM scheme. These include:

- In April 2022 a minimum hourly wage for casual Horticultural workers came into effect, which removed use of piece-rate wages that led to underpayment for many workers.⁸
- Approved Employers are currently required to provide each PALM employee with an average of 30 hours per week in a four-week period (120 hours minimum), which came into effect in 1 July 2024.⁹

⁷ Modern slavery report uncovers dark side to PALM visa scheme leaving vulnerable workers homeless and destitute. *ABC News*, 23 September 2024. https://www.abc.net.au/news/2024-09-23/palm-visa-scheme-exploitation-modern-slavery/104382194

⁸ Fair Work Commission decision in 2022:

https://www.fwc.gov.au/documents/decisionssigned/html/2022fwcfb4.htm?_gl=1*zljggh*_ga*MzY3MTMyMzMzLjE3 Mzk3Nzl3OTY.* ga 956VPMXW21*czE3NTA1NTM4NTMkbzQkZzEkdDE3NTA1NTQyODQkajYwJGwwJGgw

⁹ Minimum hours setting. *PALM Scheme*. Available at: https://www.palmscheme.gov.au/sites/default/files/2024-05/Minimum%20hours%20settings%20frequently%20asked%20questions%20-%20May%202024.pdf

- A "minimum net pay guarantee (to ensure a worker's weekly take home pay is at least \$200)"¹⁰ was adjusted in 2023 and again in July 2024, which ensures that a worker's deductions cannot exceed their net wages to be paid.
- The PALM deed and guidelines now state: "If hours offered are less than 20 hours a week, the AE: must cover the cost of the worker's accommodation and transport for that week ... and may deduct other expenses up to the \$200 minimum net pay guarantee" 11
- The July 2023 changes to the PALM deed and guidelines states that accommodation arranged by the AE must:
 "The cost must be fair and provide good value for money and be comparable to market rates". This now offers the ability for workers to query their accommodation provided as to

whether it is comparable to market rates.

Several of the participants we interviewed in May-June 2025 had disengaged from the PALM scheme prior to these changes, so their reasons for disengaging could plausibly have been alleviated via changes to the PALM deed and guidelines from mid-2024, though we note that compliance and enforcement remains a problem throughout the scheme, and several of the reported circumstances prompting disengagement would not be consistent with current guidelines.

That said, these people who have been former PALM workers and are working unlawfully now in Australia do require immediate support and amnesty, for the reasons mentioned above.

Summary

In sum, current PALM visa settings that tie visa holders to a single employer in an unequal power relationship are creating conditions conducive to modern slavery. Due to a range of issues, this drives some individuals to disengage and forfeit their PALM visa, and be pushed into the precarity of bridging visa applications, or an undocumented status.

Our insights from preliminary data on disengaged workers from the PALM visa indicates that many PALM visa holders have left situations that would not be tolerated by Australian citizens. Supporting these workers who have disengaged, and who are still contributing to regional economies in their informal employment, places a burden on local communities who are doing their best to support people who are not afforded legal protections under the current system.

Improving PALM visa settings to facilitate basic human rights – such as the right to leave untenable workplace situations – would greatly reduce the risk of modern slavery within Australia's flagship development program for the Pacific.

Recommendations:

- Create an 'amnesty' arrangement for individuals who have disengaged from the PALM scheme. This may either be a re-entry to the PALM visa (with an employer of their choice), or a set time frame for a bridging visa with work rights and Medicare access to transition them to a return to their home country.
- Changes to the PALM visa for worker portability and mobility between employers. The ability to move between employers is an important basic right for PALM visa holders (creating agency in their migration journey, and choice in their employment location, job type, and employer), while also benefiting Approved Employers to have flexibility in hiring

¹⁰ Minimum hours requirement and interaction with minimum net pay guarantee. PALM scheme, 21 February 2025. Available at: https://www.palmscheme.gov.au/sites/default/files/2025-02/Minimum%20hours%20requirement%20and%20interaction%20with%20minimum%20net%20pay%20guarantee%20factsheet%20-%20February%202025.pdf

¹¹ PALM scheme Deed and Guidelines - Frequently Asked Questions. *DEWR*, 24 August 2023. Available at: https://www.dewr.gov.au/download/15535/palm-scheme-deed-and-guidelines-faqs/34530/palm-scheme-deed-and-guidelines-faqs/pdf

(especially in Horticulture where seasonal variances often do not match the duration of the visa contract). Worker-initiated portability could be implemented in a manner that is not only compatible with, but enhances, the key policy objectives of the PALM scheme¹².

Should you require further information on the matters raised in this submission, please contact us via email or phone. We would be happy to provide further insight or information for this important and timely inquiry.

Yours sincerely,

Dr Kaya Barry, Dr Kirstie Petrou, Dr Matt Withers

¹² Withers, M. and Kagan, S. 2024. Free agency is a right, not an option. Devpolicy Blog. https://devpolicy.org/free-agency-is-a-right-not-an-option-20241121/