ACCOMMODATION AUSTRALIA | AUSTRALIAN HOTELS ASSOCIATION

2 October 2026

Hon Tony Burke MP
Minister for Home Affairs
Parliament House
Canberra ACT 2600

Dear Minister,

PALM is not a substitute for the Working Holiday Maker program

We are writing regarding suggestions that the Pacific Australia Labour Mobility (PALM) scheme could play a greater role in meeting the workforce needs of Australia's tourism and hospitality sector. The Australian Hotels Association (AHA) and Accommodation Australia (AA) support the PALM scheme and recognise the important contribution Pacific workers make to Australian businesses and regional communities.

However, if the government is considering recommending extending PALM applicability to more hospitality businesses, it should not be viewed as a substitute for the Working Holiday Maker program. The two programs are fundamentally different and meet different workforce needs.

PALM grew out of programs designed primarily to address labour shortages in agriculture and related industries. PALM settings continue to work effectively for businesses that recruit relatively large cohorts of workers well in advance, have predictable labour requirements and can provide structured accommodation, welfare and administrative support.

Hospitality, accommodation and tourism operate differently. Hotels, pubs, restaurants and accommodation businesses experience significant fluctuations in demand on a daily and weekly basis. Workforce requirements change with tourism seasons, school holidays, major events, weather and occupancy levels. Remote and regional businesses in particular need access to workers who can move to where employment is available and respond quickly to emerging shortages. Working Holiday Makers provide precisely that flexibility.

At 31 August 2026, there were 211,390 Working Holiday Makers in Australia, compared with 31,648 PALM visa holders. Excluding UK nationals, there were 162,020 WHMs. Hospitality and accommodation account for only around 2 per cent of the PALM workforce. Those figures demonstrate the substantial difference in the scale and function of the two programs.

The PALM scheme also places significant obligations on participating employers. These include:

- labour market testing
- upfront recruitment
- travel and visa costs
- welfare plans
- approved welfare personnel undertaking fortnightly welfare checks
- designated support personnel
- minimum work guarantees
- accommodation requirements
- pastoral care
- ongoing compliance and reporting

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These obligations may be manageable for large businesses with predictable workforce requirements and significant administrative capacity. They are much more difficult for hospitality businesses operating with variable demand, narrow margins and lean management teams.

Accommodation approval requirements can be highly prescriptive, including requirements around household facilities that do not necessarily reflect the staggered working patterns common in hospitality. These requirements add cost, complexity and delay and can discourage businesses from participating in the scheme.

However, there may well be an opportunity to make PALM more accessible to hospitality, particularly through a "trusted employer" model that reduces unnecessary administrative requirements for employers with a demonstrated record of compliance. We would welcome the opportunity to work with the Government on such reforms.

But improving PALM does not remove the need for a strong Working Holiday Maker program. PALM provides a structured labour mobility program, generally based around an employer and an identified position. The WHM program provides a mobile workforce able to travel between regions, employers and industries as demand changes.

Australia needs both. This distinction is particularly important in regional and remote Australia, where tourism and hospitality businesses often struggle to attract sufficient local workers. Working Holiday Makers can travel to these communities during peak periods and move on as seasonal demand changes.

Attempting to replace the WHM workforce with a more structured employer-sponsored PALM model would inevitably reduce the flexibility available to regional businesses. Accordingly, we urge the Government not to treat expansion of PALM as an offset for reductions or restrictions in the Working Holiday Maker program.

Any consideration of changes to Working Holiday numbers, eligibility or access to second- and third-year visas should be assessed on the workforce and regional economic consequences of those changes, rather than on the assumption that PALM can fill the resulting gap.

The AHA would welcome the opportunity to discuss these issues with you and work constructively with the Government on migration settings that support Australian workers while ensuring tourism and hospitality businesses can access the workforce they need.

Yours faithfully,

STEPHEN FERGUSON
NATIONAL CEO AHA

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NATIONAL CEO AA