

Daily hire in the Pacific Australia Labour Mobility scheme

This factsheet provides information for Pacific Australia Labour Mobility (PALM) scheme employers on the use of daily hire in the scheme. It does not replace or negate the obligations included in the [PALM scheme Deed of Agreement](#) and [PALM scheme Approved Employer Guidelines](#).

Daily hire arrangements

Daily hire is when a worker is employed for full-time or part-time hours but is only entitled to one day's notice of termination.¹ Daily hire can only happen if the award or registered agreement allows for daily hire.

Daily hire employees can work full-time or part-time hours² and typically receive a loading in compensation for the time that they are not working (generally due to being stood down).

While daily hire is not currently excluded from use in the PALM scheme, employers must continue to meet all their obligations under the deed and guidelines regardless of the workers' employment type. This includes in relation to minimum hours, stand downs, net pay guarantee, and limits on deductions if workers are offered less than 20 hours work in a week.

Minimum hours requirements and daily hire

Section 3.7 of the guidelines requires employers to offer workers minimum hours of work each week. Workers in the long-term stream must be offered full-time hours of work. The use of daily hire arrangements does not negate the requirements for employers to offer minimum hours.

Standdown and daily hire

Section 3.7.9 of the guidelines outlines the obligations for employers when they stand down a worker. The employer must notify the Department of Employment and Workplace Relations, and:

1. offer the worker alternate similar, safe duties and pay them the equivalent of their standard hours of work (as specified in their offer of employment (OOE))
2. if no other similar, safe work is available, standdown the worker with pay equivalent to their standard hours of work (as specified in their OOE)
3. enact relevant provisions under your contingency plan, or
4. enact a temporary portability arrangement, if possible. Refer to section 8.7 of the guidelines for further information.

¹ Fair Work Ombudsman: www.fairwork.gov.au/taxonomy/term/514

² Note PALM scheme long-term workers must be offered full-time hours under section 3.7 of the PALM scheme guidelines.

During stand downs, employers must continue to comply with their obligations to:

- ensure a minimum net pay guarantee for workers after tax and deductions of \$200 a week (refer to guidelines section 5.1.7), and
- cover the costs of worker’s accommodation and transport for any week in which employers offer less than 20 hours (refer to guidelines section 3.7.4).

Daily hire and contingency planning during standdowns

The guidelines permit employers to enact a contingency plan during a standdown (section 3.7.9(c)). Employers may include daily hire arrangements as part of their contingency plan to address standdowns, whereby the daily hire loading accrues to provide payment for days a worker is stood down in accordance with the applicable fair work instrument.

This approach is not appropriate for workers who have not been employed for long enough to accrue pay loading to cover standdown. For example, if a worker is engaged on a daily hire arrangement and paid a 10% daily hire loading for 100 days the employer does not need to seek alternative arrangements for up to 10 days for a standdown period, provided this is agreed through the OOE and recruitment process. The department will review these arrangements in 2024.

Example scenario: unacceptable contingency approach

A PALM scheme worker arrives on 30 November, is employed on a daily hire arrangement, and is proposed to be stood down from 24 December to 2 January. This is not acceptable as the worker has not been employed for 12 weeks and would typically still be paying off their initial mobilisation costs. In this instance, a contingency approach relying on daily hire loading accruals is not appropriate.

Example scenario: unacceptable contingency approach

A PALM scheme worker arrives on 30 March, is employed on a daily hire arrangement which includes a 10% pay loading, and is proposed to be stood down for 20 days after being in country for 15 weeks (75 days of work, accruing a 10% pay loading equivalent to 7.5 days of pay). It is not acceptable to use a contingency approach relying on daily hire loading as the worker has not accrued sufficient pay loading to cover 20 days. In this instance, the worker has accrued 7.5 days of pay through their pay loading.

Example scenario: acceptable contingency approach

A PALM scheme worker arrived 12 months ago, is employed on a daily hire arrangement which includes a 10% pay loading, and is proposed to be stood down for 10 days. This is an acceptable scenario for a contingency approach relying on daily hire loading as the worker has accrued sufficient pay loading to cover a stand down period.

Limits on deductions during standdowns

The guidelines require employers to cover the cost of workers’ accommodation and transport for any week in which the worker is offered fewer than 20 hours of work (section 3.7.4). If workers are stood down and offered fewer than 20 hours of work in any week, the employer must cover the cost of accommodation and transport, regardless of whether the worker is engaged as a daily hire worker.

Employers must ensure a minimum net pay guarantee for workers after tax and deductions of \$200 a week (refer to guidelines section 5.1.7).