



## SHADOW MINISTER FOR TREASURY & FINANCE

PO PARLIAMENT HOUSE-WAIGANI.NCD

PAPUA NEW GUINEA

e: [chairman@kdda.gov.pg](mailto:chairman@kdda.gov.pg) m: +675 71111777 p: +675 3277723

### QUESTIONS WITHOUT NOTICE

Wednesday 29 August 2018

#### **WHY ARE PNG CITIZENS NOT PARTICIPATING MEANINGFULLY, IN AUSTRALIA'S SEASONAL WORKER PROGRAM (SWP)?**

Thankyou Mr Speaker!

My series of questions without notice are directed to the Minister for Labour.

Mr Speaker, the PNG government is missing out on a wonderful, wonderful opportunity, to facilitate, that is, organize with very minimal financial assistance required from the State, conduct awareness programs and encourage, if not gently push, our people to engage with the Australian governments seasonal worker program, commonly referred to as SWP. How often have we heard from our people, far and wide, **'we don't want cash handouts-we want a job!'**

Mr Speaker, the Seasonal Workers Program (SWP), was endorsed by the Australian government as a pilot program from 2008 and is

growing very rapidly to have reached 8,452 placements in 2017-18. Indeed, Professor Stephen Howes of the ANU considers that one of the greatest achievements of the former Australian Minister for Foreign Affairs, Julie Bishop, was allowing the program to develop with the nine participating Pacific Island countries and Timor-Leste. We should thank her for creating this opportunity.

And it is a wonderful opportunity for our people. A World Bank report in 2017, confirmed that 6,166 pacific islanders had participated in the program in 2017 alone, earning and sending home on average, after tax & all expenses, a total of AUD\$8,850.00 or about K21,000.00 at yesterday's exchange rate, for 6 months work.

Mr Speaker, I am very concerned however that PNG is not rising to meet this wonderful opportunity. The 2017 WB report also produced some alarming statistics. For example last year in 2017 alone, Tonga with a population of about 107,000 people, which is smaller than New Ireland's population, successfully engaged 2,690 of its citizens in Australia sending home AUD\$26.253 million in foreign exchange, or about K64 million! Sadly, the WB report does not quote the number of PNG citizens participating in the SWP because our numbers are too small! But I understand from statistics provided by the Australian DFAT and Dr Richard Curtain from the ANU, that only 139 PNG citizens took part last year and even less this year!

**Mr Speaker my Questions are:**

- 1. Minister, can you provide a detailed explanation on why Papua New Guinea, by far, the largest Pacific Island Country (PIC), can send only 139 workers to Australia in 2016-17, whilst Tonga, one of the smallest island nations, can send 2,690 workers?**
- 2. Minister can you provide a detailed listing of all PNG citizens that have participated in the SWP, since its inception in 2008 and advise this Parliament, the break-up of all workers by district, so that we can all be assured, that there is a fair and balanced representation for all districts.**
- 3. What detailed plans does the Department of Labour, have to substantially increase the number of PNG citizens, taking account of the suggestions made by Dr Curtain from the ANU in the latest PNG Update at UPNG, the opportunity to work under the SWP in Australia and is your Ministry, willing to adopt a bipartisan approach, to solving some of these bottlenecks because, both the Member for Namatanai and I, are available to practically assist and provide advice, to your good Ministry-FOC-FREE OF CHARGE!**
- 4. Finally, at the forthcoming meeting of the Pacific Labour Mobility Annual Meeting occurring in Solomon Islands from 10-12 September, will the Minister be participating and if so, is the Minister willing to support the next meeting to be held in Kavieng**

**in 2019, where the Kvg District Development Authority would be pleased to co-host the event, if practical.**

Thank you Mr Speaker!

**HON.IAN LING-STUCKEY,CMG.MP  
SHADOW MINISTER FOR TREASURY & FINANCE**



**The Seasonal Worker Programme (SWP) was initially introduced in 2012 following a four-year pilot scheme, which commenced in August 2008.** It started off with a 12,000-worker cap for the initial four years of implementation, but this was removed in 2015, and a host of additional reforms aimed at addressing the demand-side constraints of the programme were introduced. Since these reforms, the programme has expanded rapidly—with 6,166 workers arriving in FY17. The SWP is one of only a handful of migration schemes globally that maintains the explicit objective of contributing to the economic development of labor-sending countries.

**This paper builds on the earlier evaluation of the Pacific Seasonal Worker Pilot Scheme (PSWPS) (Gibson and McKenzie 2011) and assesses the extent to which the programme has met this objective, since it moved from a pilot into a fully-fledged scheme.** Given the limited data availability and relatively small size of the SWP, it is not possible to measure its economic development impact in terms of Gross Domestic Product.<sup>1</sup> As a result, this report primarily focuses on measuring the development impact of the programme in terms of its income effects, but also examines a number of other areas. The results are presented at the individual, household, community and aggregate level.

*What impact does the programme have for individual workers?*

**Some participating workers are employed prior to departure, but the majority (65 percent) are not, and for these workers the scheme represents an opportunity to fulfil their productive potential.** The income gains vary by country but, in all cases, represent a significant increase on their earning potential back home. The Pacific-wide factor increase on income is 4.3, while it stands as high as 5.6 in the case of Tonga. **Over a six-month employment stint, the average Pacific seasonal worker is remitting approximately A\$2,200 while in Australia and transferring A\$6,650 in savings home at the end of their stay.** While the vast majority (86 percent) of Pacific seasonal workers are remitting money home, a large number are using costly money transfer operators, which capture a higher percentage of their earnings in fees.

**More women are benefiting from the SWP but, proportionally, their representation remains low (14.4 percent) and the same as when the programme was introduced.** Female workers in the SWP are earning slightly less than men, but remitting more. This is despite them having a higher mean level of education than the male workers participating in the SWP. Only 42 percent of Pacific seasonal workers have the opportunity to take part in the formal Add-on Skills Training, however, a much larger proportion learn skills on the job. The

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<sup>1</sup> Remittances are also not factored into GDP.

**Table 6.1** Aggregate development impact across participating countries  
*Net annual income gains (A\$) per participating country since the programme's inception*

	Samoa	Timor-Leste	Tonga	Vanuatu	Other PICs*	Programme wide
<b>Number of SWP workers annually</b>						
FY13	22	21	1,199	119	112	1,473
FY14	162	74	1,497	212	69	2,014
FY15	185	168	2,179	567	78	3,177
FY16	140	224	2,624	1,198	304	4,490
FY17	309	477	2,690	2,150	540	6,166
Total workers	818	964	10,189	4,246	1,103	17,320
<b>Net earnings less total expenses in 6 months (A\$)</b>						
	\$9,851	\$7,462	\$10,470	\$9,846	\$4,170	n.a
<b>Forgone wages in sending countries in 6 months (A\$)</b>						
	\$3,458	\$3,302	\$3,562	\$6,552	\$3,198	n.a
<b>Forgone earnings from household farming production in 6 months (A\$)</b>						
	\$171	\$96	\$243	\$439	\$142	n.a
<b>Employment rate prior to departure</b>						
	75%	53%	14%	28%	81%	n.a
<b>Net gain per worker (A\$) after accounting for employment/ opportunity cost</b>						
	\$7,113	\$5,692	\$9,759	\$7,425	\$1,437	n.a
<b>Net annual income gain to country (A\$, thousands)</b>						
FY13	\$156	\$120	\$11,701	\$884	\$161	\$13,022
FY14	\$1,152	\$421	\$14,610	\$1,574	\$99	\$17,856
FY15	\$1,315	\$956	\$21,266	\$4,210	\$112	\$27,859
FY16	\$995	\$1,275	\$25,608	\$8,896	\$437	\$37,211
FY17	\$2,197	\$2,715	\$26,253	\$15,965	\$776	\$47,906
Total gains	\$5,815	\$5,487	\$99,438	\$31,529	\$1,585	\$143,854

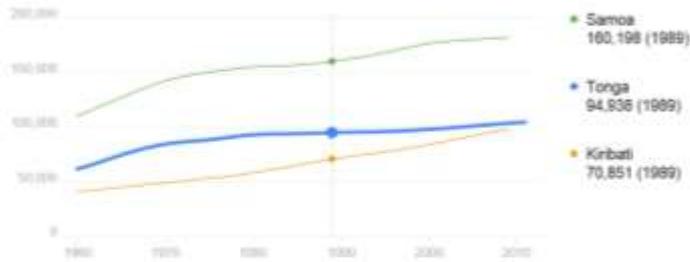
Source: World Bank staff calculations.

**The forgone wage earnings are the highest in Vanuatu where a large proportion of workers were engaged in formal employment prior to departure.** These are higher than expected, given GDP per capita is approximately A\$3,580, however, this reflects the fact that many workers who were employed prior to departure in Vanuatu were employers themselves. In general, the net gains per worker are higher for those countries that are drawing on their pool of unemployed labor for the SWP, such as Tonga and Vanuatu.

https://www.google.com.au/search?ei=Y66CW-DeN9f4wAP-nrTlBw&q=population+of+tonga&oq=population+of+tonga&gs\_l=psy-ab.3...1787.8398.0.8886.35.18.0.0.0.0.0.0.0...0...1c.1.64.psy-ab..35.0.0...0.5H2OE9W2-\_8

### Tonga / Population

107,122 (2016)



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Source include: World Bank

Feedback

### People also ask

What is the population of Tonga 2018?

Is Tonga part of New Zealand?



## Tonga

Country in Oceania

Tonga is a Polynesian kingdom of more than 170 South Pacific islands, many uninhabited, most lined in white beaches and coral reefs and covered with tropical rainforest. The main island, Tongatapu, is protected by lagoons and limestone cliffs. It's home to the rural capital of Nuku'alofa, as well as beach resorts, plantations and the Ha'amonga 'a Maui, a monumental coral gate from the 1200s.

### Population elsewhere

Vanuatu	142,852 (1989)	↗
Fiji	724,404 (1989)	↗
Solomon Islands	301,012 (1989)	↗