



Submission No 46

Inquiry into Australia's Relationship with Timor-Leste

Organisation: Embassy Of The Democratic Republic Of Timor-Leste



**EMBASSY OF THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE
CANBERRA**

**Submission to the
Joint Standing Committee on Foreign Affairs, Defense and Trade
Foreign Affairs Sub-committee**

Parliamentary Inquiry into Australia's Relations with Timor Leste

Background

Friendship ties between Timor-Leste and Australia

In 1942 during the 2nd World War a small band of Diggers numbered roughly 400 to 500 men from the 2/2 and 2/4 Independent Companies was dispatched to what was then known Portuguese Timor and now Timor-Leste. They conducted guerrilla warfare against the numerical Japanese Imperial Forces trying to pin the Japanese and somehow prevent them from advancing on to Australian mainland. This band of Diggers was outnumbered by the Japanese troops of more than 10.000 roughly at an odd of one (1) Digger for every twenty (20) Japanese soldiers. The diggers survived this odd because the local Timorese Villagers went to their aid with food, ponies to carry their gear and hide them and protect them from the enemy. Approximately all but 40 diggers came back home to their love ones in Australia. Timor-Leste honor this friendship by featuring in its Embassy in Canberra, the Consulate General in Sydney and all the six Timor-Leste Honorary Consulates around Australia with the Photo of the Digger Patrick (Paddy) Keneally and his Timorese mate Rufino Correia both of whom are now deceased.

This submission is made under this Spirit of Friendship, Cooperation and Fairness;

Bilateral Relations

At present Timor-Leste and Australia enjoy excellent bilateral relations which are multifaceted at all government levels, Federal, States & Territories and Local Governments, Federal and State Parliaments, Civil Society, None Government Organisations, Service Clubs, Trade Unions, Churches, Schools, individuals and families.

Governments

Prime Minister Xanana Gusmão have made official visit to Australia in 2012 but PM Julia Gaillard has never visited Timor-Leste. It is important for leaders and Ministers to

make Reciprocal visits to each other's countries as a matter of good will and strengthen the friendships both at personal and institutional levels and this would bode well with the public in both countries especially in Timor-Leste.

Parliamentary level

Australian Parliamentarians at Federal, State and Territories level have made visits to Timor-Leste at different times since the year 2000. From now and into the future these visits must be encouraged to take place at least every year. Timor-Leste is a young democracy and it needs ongoing interaction from its neighbor Australia and key democratic institutions to further strengthen and consolidate democracy, security and peace. Regular interaction between Legislators of both countries to share knowledge and experiences and build friendships at institutional and personal levels, cooperating on skill development and mentoring role especially for Timor-Leste Parliament and all its associate back room operations.

Development Aid and Good Governance

Australia is at present the largest development aid donor to Timor-Leste through AusAid and this includes cooperation from various Government Departments, ADF, AFP, DIAC, Etc. This level of Development Aid must be maintained in order to continue with the capacity building, strengthening and consolidating the State Institutions in all sectors especially the justice and security sectors including rural development where at least 70% of the population lives. It is also important to increase Scholarships for East Timorese students to study in Australia both at Tertiary and Technical and Further Education levels. The latter should be considered as priority and more Timorese students should be encouraged and giving the opportunity to take up trade skills studies in Australian TAFE.

Economic Cooperation, Trade and Investment

Timor Sea Treaty – Joint Petroleum Development Area (JPDA) and Certain Maritime Arrangement in the Timor Sea (CMAT) – Timor-Leste and Australia are sharing Oil & Gas resources in the JPDA under the Timor Sea Treaty where ConocoPhillips is producing Oil & Gas from Bayu-Undan Field with downstream pipeline to the LNG processing plant in Darwin. NT and Darwin economy has moved astronomically since then with all associate industries and thousands of jobs for Northern Territory. Both countries are benefiting from royalties and tax revenues at a 90% for Timor-Leste and 10% for Australia. On Greater Sunrise development by Woodside and Joint Venture Partners - Negotiating in Good Faith and the Fairness issue - still outstanding between both resource owners Australia and Timor-Leste and ongoing negotiation will hopefully bear fruit in a not too distant future. Timor-Leste has made its views known that it wanted the downstream pipeline to an on shore in Beço the southern coast of Timor-Leste for the LNG processing. The TLNG in Beço will form part of the infrastructure and economic development of entire southern coast region with supply base in southwest in Suai, Petrochemicals and Refineries in the centre in Betano and the

Gas Processing Plant in southeast in Beço Viqueque. The development of southern coast will generate thousands of jobs from the establishment of three major towns Nova Suai, Nova Betano and Nova Viqueque plus infrastructure development and associated industries. This onshore economic development will also generate confidence in Timor-Leste for other international investors to follow suit with Foreign Direct Investments into other sectors of the economy.

Onshore Investment

On the onshore economic activities Australia must open and Austrade Office in Dili to provide support, facilitate and encourage more Australian Companies including providing some tax incentives for them to invest in Timor-Leste in major infrastructures Civil Works, Mineral Resources, Tourism and Agriculture. Investment in the latter two would generate thousands of jobs where 16.000 youths leave school every year and move into the labour market. Timor-Leste has a young population with 55% under the age of 25. This body of energy could also become potential threats to national security if this human capital with enormous energy is not been harnessed and channelled to greater positive use. Foreign private investment and economic progress is paramount to generate jobs and income for the populace especially the youth and ultimate improvement in their living standards will underpin the sustainability of Democracy, Peace and Security. It is in Australia's strategic interest to encourage its businesses to invest more onshore in Timor-Leste and be seen as having a stake in the country and active player in Timor-Leste's long term development. Otherwise the available onshore spaces for investment will be occupied by other companies in the Asian region especially from China who are equally eager to invest in Timor-Leste's growing economy.

Cultural, Educational and Scientific relations and exchanges

East Timorese community living in Australia

There are at least 20.000 East Timorese community living in Australia with approximately 8.000 in Victoria and 6.000 in NSW and the rest scattered in other states and territories. They all came to Australia as refugees in early seventies and eighties during the Indonesian occupation and Timor-Leste is grateful for Australia's generous welcoming and allowed them to settle and make Australia their second home. Many members of the Timorese community especially those who don't have high bank mortgages have returned to Timor-Leste where some are playing active role in the government as Ministers and others working in the civil service, NGOs and businesses all contributing to the country's socio economic development. In a sense they are playing a bridging role facilitating the cross cultural understanding between the two countries.

Australians living and working in Timor-Leste

Likewise there are approximately 2.000 Australians if not more living and working in Timor-Leste, either for the governments, NGOs or businesses. These Australians are also playing a very important bridging role in cross cultural understanding between Australia and Timor-Leste. There are already a number of Universities such as Charles Darwin, Victoria University, Melbourne University and University of Sydney and other Members of Universities Australia including some TAFE have made links with Timor-Leste national University - Universidade Nacional de Timor-Leste (UNTL) and others. Cultural, Educational and Scientific relations and exchanges must be pro-actively encouraged at all levels more so from Australia which is important to play a mentoring and nurturing role for Timor-Leste's novice technical and higher learning institutions including the English language.

Seasonal Workers Scheme

Timor-Leste is grateful for Australia to include Timor-Leste in the Pacific Seasonal Workers Scheme. Australia is now receiving Timor-Leste's Seasonal Workers under the 2012 MOU between Australia and Timor-Leste in Hospitality and Horticulture industries. We are also grateful for the personnel from DEEWR and DIAC for their support and facilitation with the Seasonal Workers Program. We are very pleased with the result and successful hospitality pilot program in Broome thus far even though the number is still small. The employers are also very happy with the performance of the workers and the same workers and some new ones have returned for the second time this year 2013. However in the Horticulture industry the number is still very limited due to many farmers reluctance to venture into this new scheme given the strident conditions with accommodation for workers and potential high payroll for individual farmers which they see as a big upfront burden for them and a dis-incentive. Some farmers that the Embassy have talked with raised the issue of heavy bureaucracy and they prefer employing Back Packers holiday makers from Europe and elsewhere where they walk in and walk out with no strings attached.

Occupational Work Place Trainees

One important area that needs to be explored and developed as far as Timor-Leste is concerned and seek agreement with Australia is **Occupational Work Place Trainees under the Training & Research Sub-Class 402 Visa - Occupational Trainee Stream** - especially for the Hospitality and Horticulture Industries. At present Timor-Leste lacks people with Tourism and Hospitality skills, commercial farming trade skills, with food production and animal husbandry. **The objective is to build a critical mass of people with all the above skills from which these same people will be parting their skills and knowledge with others in a multiplying effect throughout the country in food production and tourism and hospitality professional services.** At present farming practices in Timor-Leste is only subsistence and the production is never enough to adequately meet the food demand by the whole country which at present is reliant on the

importation of most basic staple food products such as rice from abroad. Like many other countries, Timor-Leste needs food self-sufficiency and food security. Australia is a major food producer and great expertise in agriculture and Australia can help Timor-Leste by providing opportunities for its young cadres to do hands on learning on the farms especially in the northern parts of Australia where climate is almost similar to Timor-Leste.

People to People Links

At present there are more than 45 **Friendship Cities** established since 2000, through community groups and Local Councils and Shires in Victoria, NSW, SA, QLD, WA, NT, ACT and Tasmania. The Australian and Timor-Leste Friendship Network are currently facilitating these groups which they are linked with all thirteen Districts in Timor-Leste. Timor-Leste will soon establish its Municipalities for the first time and it will be based on the present 13 district boundaries. In due course Timor-Leste will approach all levels of the Australian Local Government entities to help with this endeavour. **Schools** - Both Primary and Secondary Schools located in those respective Councils and Shires have been encouraged to participate in the Friendship Schools and over 100 schools are participating. **People to people link** is very important and must be encouraged where communities, individuals and families from different socio economic and religious background can freely interact and share their own life stories and build friendships across borders without fear more so at grass roots level. The job of the government authorities is to provide guidance and actively encourage this interaction to take place on sustainable bases to ensure its longevity into the future. On a bigger picture, it is also envisaged that, the present Friendship Network between Australia and Timor-Leste as it moves forward and mature they will be encouraged to extend and forge friendships with other towns in Indonesia especially the eastern Indonesia provinces and those islands surrounding or proximity to Timor-Leste and northern Australia under the Trilateral Cooperation between Timor-Leste, Australia and Indonesia.

Economic, Defense and Security Cooperation

For Timor-Leste and Australia there are no foreseeable conventional threats from their immediate region. However there are threats from non-state actors such as terrorism, transnational criminals engaging in people and drug smuggling and money laundering and other illegal activities including illegal arms trade. Timor-Leste is a young State yet to fully develop its defense capabilities in both material and personnel. It needs Australia's continued support and mentoring and training to develop the skills of the police and defense personnel in the art of policing, art of warfare and communication especially the English language and exchange learning of personnel. This will greatly help and enhance PNTL and FFDTL personnel in their communication skills and effective interaction with their international counterparts especially the AFP and ADF personnel. In line with the potential threats from non-state actors which in many ways unseen enemy, states must close ranks and cooperate. Thus, the need to pro-actively

explore and promote the Trilateral Defense and Security Cooperation between the three neighbours Australia, Timor-Leste and Indonesia. As stated above, tackling the illegal activities of transnational crimes the three countries' Defense and Security entities must cooperate to ensure security especially maritime security in the region. This will further provide security and the enabling factors for Economic Development and business to invest in the region as discussed by the leaders of the three countries, Indonesia President Susilo Bambang Yudhoyono, Timor-Leste Prime Minister Xanana Gusmão and Australia Prime Minister Julia Gillard in November last year in Nusa Dua Bali.

Recommendation Points to be considered by the Sub-Committee

- **Aid** - Australia's Development Aid to Timor-Leste must be maintained at the current level if not more in order to continue with the strengthening of the capacity of the institutions of governance especially in the security sector, health, education and rural development where 70% of the population lives.
- **Scholarships** - Increase in the Scholarships for more East Timorese students to undertake their studies in Australia especially in the Technical and Vocational Education area – Trade Skills such as – Health & Safety, Builders, Electricians, Plumbers, Welders and Carpenters etc.
- **Occupational Work Place Trainee** - Strongly consider the suggestion of allowing the entry of Timor-Leste youth into Australia to undertake Occupational Work Place Trainee in Hospitality, Farming and other Trade Skills under the existing - Training & Research Sub-Class 402 Visa - Occupational Trainee Stream.
- **People to People links** - Pro-actively encourage more Australians to engage in people to people links through the existing Friendship Networks, Schools, Community Organisations, NGOs, Service Clubs, Trade Unions, and Churches etc.
- **Seasonal Workers Program** – Improving the bureaucracy and associate conditions of the Seasonal Workers Program to make it friendlier for more Employers to consider taking on Seasonal Workers from the Pacific and Timor-Leste.
- **CMAT and Development of Greater Sunrise** – The vexed issue here is that of Fairness as far as Timor-Leste is concerned with regard to the development of Greater Sunrise by Woodside and its Joint Venture Partners. Timor-Leste has communicated clearly its views to Australia on the development of Greater Sunrise and we are sure both Governments will need to come together and agree on a best solution which is fair to both sides principally and the joint venture partners.

- **Trade and Investment** – Australia must consider in establishing an Austrade Office in Dili to facilitate and encourage Australian Companies to invest in Timor-Leste especially in major infrastructure development such as Roads, Ports, Airports and Tourism and Agriculture industries.
- **Economic, Defense and Security Cooperation** – Australia must continue with its defense and security cooperation with Timor-Leste through AFP and ADF to ensure PNTL and FFDTL personnel are equipped with skills and knowledge in the art of Security and Defense activities including the English language. On a broader scale both TL and Australia needs to explore with Indonesia on the possibility of the establishment of a Trilateral Economic, Defense and Security Cooperation between the three countries to effectively enhance security and economic development in the region especially in eastern Indonesian, Timor-Leste and Northern Territory.
- **Sustainable Democracy** – Australian Parliamentarians must actively engage with Timor-Leste Parliamentarians in order to build friendship at personal and institutional levels to share knowledge and experiences including reciprocal visits expertise advice which leads to the consolidation of Democracy, Security and Peace in Timor-Leste.
- **Reciprocal Visits by leaders and Ministers** – It is important for leaders and Ministers to pay reciprocal bilateral visits to each other's countries as a matter of good will and strengthen the friendships both at personal and institutional levels and this would bode well with the public in both countries especially in Timor-Leste.

We thank the successive Australian governments and the Australia people for supporting Timor-Leste to stand on its own two feet especially in times of deep distress and anguish as a true friend and exemplary neighbor.

Canberra, March 28, 2013