



Timor-Leste

Country overview

2.1 The Democratic Republic of Timor-Leste (formerly known as East Timor) is located in Southeast Asia, northwest of Australia in the Lesser Sunda Islands at the eastern end of the Indonesian archipelago. Timor-Leste includes the eastern half of the island of Timor, the Oecussi exclave on the northwest portion of the island of Timor, and the islands of Ataúro and Jaco. A map of Timor-Leste is at Appendix B.

Political overview

2.2 In a United Nations-sponsored referendum held on 30 August 1999, an overwhelming majority (78.5 per cent) of the people of Timor-Leste voted for independence from Indonesia, which had incorporated East Timor as the province of Timor-Timur in July 1976 following its military occupation of the country in December 1975.

2.3 Immediately following the referendum, anti-independence militias commenced a large-scale 'scorched-earth' campaign of retribution. Most of the country's infrastructure – the World Bank estimates 70 per cent – including homes, schools, the electrical grid, irrigation and water supply systems were destroyed, and 75 per cent of the population was displaced.¹ Militias killed approximately 1,400 Timorese and forcibly pushed 300,000 people into western Timor as refugees. On 20 September 1999 an

1 The World Bank, *Timor-Leste Overview*, viewed 20 January 2013, <www.worldbank.org/en/country/timor-leste/overview>.

Australian-led International Force for East Timor (INTERFET) deployed to the country and the violence ceased.

- 2.4 Following a transitional period administered by the United Nations under the UN Administration in East Timor (UNTAET), Timor-Leste gained formal independence on 20 May 2002. The country became formally known as the Democratic Republic of Timor-Leste. Mr Kay Rala Xanana Gusmão became the first President and Mr Mari Alkatiri was appointed Prime Minister.
- 2.5 In April and May 2006 there was a rapid deterioration in security following a strike by military personnel. In April, riots broke out in the capital (Dili) among rival groups within the military and the police. Renewed fighting between the pro-government troops and disaffected Falentil troops (the military wing of the Fretilin party) broke out in May. Forty people were reported killed and some 150,000 people were displaced and moved to camps outside of Dili and Baucau. In July 2006, following calls for his resignation, Prime Minister Alkatiri stepped down and was replaced by Dr José Ramos-Horta.
- 2.6 The Government of Timor-Leste requested that an Australian-led International Stabilisation Force (ISF) be deployed to the country.² Also at Timor-Leste's request, the UN Security Council established the United Nations Integrated Mission in Timor-Leste (UNMIT) to provide interim law enforcement and public security until the national police could be reconstituted. A police presence of over 1,600 personnel were deployed to Timor-Leste. The ISF and UNMIT restored stability, which allowed for largely peaceful Presidential and Parliamentary elections to be held in 2007.³
- 2.7 In February 2008 a rebel group staged an unsuccessful attack against the President and Prime Minister. The then President, His Excellency Dr José Ramos-Horta, was critically wounded in an assassination attempt and was evacuated to Australia for medical treatment. However, since the attack, Timor-Leste has enjoyed a period of stability.
- 2.8 UNMIT's mandate expired on 31 December 2012 and the UN's peacekeeping mission in Timor-Leste came to an end. The ISF ceased security operations on 22 November 2012 and Australian troops started to

2 Operation ASTUTE was the military codename for the Australian contingent of the ISF.

3 Central Intelligence Agency, *World Fact Book: Timor-Leste*, viewed 20 January 2013, <www.cia.gov/library/publications/the-world-factbook/geos/tt.html>.

depart Timor-Leste in late November. The ISF withdrawal was completed in April 2013.⁴

- 2.9 Timor-Leste's Constitution, which was approved by a Constituent Assembly held in March 2002, provides for an elected President as head of state and a Prime Minister, appointed by the President, from the political party, or coalition of parties, with a majority in the unicameral National Parliament. The President is elected by absolute majority vote through a two-round system to serve a five-year term. Timor-Leste has a universal franchise for citizens over the age of 17. Voting is not compulsory.
- 2.10 The National Parliament has between 52 and 65 seats with its members elected through a closed-list proportional representation system and serving five year terms. One in three candidates put forward on a party list must be a woman. There is one nationwide constituency and a three per cent threshold for entering Parliament. Ministers are appointed by the Prime Minister and may be drawn from within or outside the Parliament.
- 2.11 At the time of the Committee's visit in November 2011, Fretilin held 21 seats in the Parliament and the National Congress for the Reconstruction of Timor (CNRT) held 18 seats. Following the Parliamentary elections in 2007, the CNRT combined with four minor parties to form the Alliance for a Parliamentary Majority (AMP) coalition Government, with Mr Xanana Gusmão appointed Prime Minister.⁵ At the time of the visit, the President of Timor-Leste was His Excellency Dr José Ramos-Horta.
- 2.12 Presidential elections were held on 17 March 2012 with the run-off held on 16 April 2012. Former Chief of the Armed Forces and CNRT candidate José Maria Vasconcelos, more commonly known by his nom-de-guerre Taur Matan Ruak, was elected with 61.23 per cent of the vote.
- 2.13 Parliamentary elections were held on 7 July 2012 with 75 per cent voter participation. The CNRT, led by Prime Minister Xanana Gusmão, received the highest percentage share of the vote (36.68 per cent), followed by Fretilin (29.89 per cent), the Democratic Party (PD) (10.30 per cent) and Fretili Mudansa (3.11 per cent). The seats by party are currently: CNRT 30, Fretilin 25, PD eight and Fretili Mudansa two.⁶ The CNRT subsequently

4 Department of Defence, 'Mission complete for ANZAC diggers', *Media Release*, issued 3 January 2013, viewed 23 January 2013, <www.defence.gov.au/defencenews/stories/2013/jan/0103.htm>.

5 The other parties in the AMP coalition Government were the Social Democratic Party (PSD), Democratic Party (PD), Timorese Social Democratic Association (ASDT) and the National Democratic Union of the Timorese Resistance (UNDERTIM).

6 Department of Foreign Affairs and Trade, *Timor-Leste country brief*, viewed 23 January 2013, <<http://dfat.gov.au/geo/timor-leste/timor-leste-brief.html>>.

formed a coalition Government with the PD and Fretilin. Supporters of Fretilin held protests in Dili and some localised violence occurred. However, the national police were able to restore order quickly.

- 2.14 Noting the previous experience of violence and social disruption, the delegation was very impressed at how generally peaceful the period was following the 2012 election and how the outcome was, in the main, well received by the people.

Economic overview

- 2.15 In 2012 Timor-Leste's Gross Domestic Product (GDP) was estimated to be US\$4.173 billion, with GDP per capita of approximately \$3,730.⁷
- 2.16 Timor-Leste has experienced strong economic growth since the events of 2006, with the country's real GDP growing by an average of 11.9 per cent per year since 2007. The growth has been underpinned by public spending. The International Monetary Fund (IMF) forecasts that Timor-Leste will continue to experience annual growth rates of around 10 per cent over the next five years.⁸ However, strong economic growth has been accompanied by very high inflation, which reached nearly 18 per cent in January 2012 and has since stabilised at approximately 11 per cent. Timor-Leste's 2013 Budget documents state that the Government is determined to ensure that inflation further declines and recognises that controlling growth in total expenditure will be important in achieving this goal.⁹
- 2.17 Timor-Leste's 2013 Budget, which was approved by the Parliament on 18 February, proposes total expenditure of US\$1.65 billion (\$150 million less than originally proposed). Overseas development assistance will contribute some \$203.4 million to the country's combined sources Budget total.¹⁰ While there has been a trend of increasing budget expenditure

7 International Monetary Fund, *World Economic Outlook Database*, April 2013, viewed 28 May 2013, <www.imf.org/external/pubs/ft/weo/2013/01/weodata/index.aspx>; UN Statistics Department, *World Statistics Pocketbook*, viewed 27 May 2013, <<http://unstats.un.org/unsd/pocketbook/PDF/2011/Timor-Leste.pdf>>.

8 IMF, *World Economic Outlook: Coping with High Debt and Sluggish Growth*, IMF, Washington DC, October 2012, p. 194.

9 Ministry of Finance, Government of the Democratic Republic of Timor-Leste, *2013 State Budget, Book 1*, p. 6, viewed 20 January 2013, <www.mof.gov.tl/>.

10 Minister of State, Government of the Democratic Republic of Timor-Leste, *2013 State Budget of Timor-Leste unanimously approved*, viewed 16 April 2013, <<http://timor-leste.gov.tl/>>; Ministry of Finance, Government of the Democratic Republic of Timor-Leste, *2013 State Budget, Book 5*, p. 5, viewed 16 April 2013, <www.mof.gov.tl/>. Development Partners will provide a further US\$12.9 million in loans for two on-going projects, bringing total Official Development Assistance in 2013 to US\$216.3 million.

since 2007, expansionary fiscal policy has been credited with decreasing extreme poverty levels in Timor-Leste and with funding vital investments in basic infrastructure, building human capacity and sectoral development.¹¹

2.18 Government expenditures are allocated to three funds as follows:

- Core Fund of the Government of Timor-Leste, which funds all Ministries' budgets and includes five appropriation categories (salaries, goods and services, public transfers, minor capital, and capital and development), accounts for 55.8 per cent of total Government expenditure (US\$1 billion in 2013);
- Infrastructure Fund, which funds a range of core infrastructure projects to underpin higher growth (e.g. electricity, the Tasi Mane south coast petroleum infrastructure project and roads), accounts for 41.9 per cent of total Government expenditure (US\$604 million in 2013¹²); and
- Human Capital Development Fund, which supports the development of human capital in Timor-Leste (e.g. scholarships and vocational training) accounts for 2.4 per cent of total Government expenditure (\$US42 million in 2013).¹³

2.19 The petroleum (oil and gas) sector accounts for some 78.5 per cent of Timor-Leste's GDP (in 2011), rendering the economy the most heavily petroleum dependent in the world. Oil and gas revenue derives principally from the Bayu-Undan field, operated by ConocoPhillips, in the Joint Petroleum Development Area (JPDA), which is shared by Australia and Timor-Leste and was established by the Timor Sea Treaty entered into by Australia and Timor-Leste in April 2003. Under the terms of the Treaty, Timor-Leste receives 90 per cent of the revenue from petroleum production in the JPDA, and Australia receives the remaining 10 per cent.¹⁴ A map of the Timor Sea Area is at Appendix B.

2.20 In June 2005 Timor-Leste established a Petroleum Fund to manage its petroleum revenues transparently and sustainably. As at 31 May 2012, the

11 Secretary of State for the Council of Ministers of the Democratic Republic of Timor-Leste, *Timor-Leste predicted to be one of the top ten fastest growing economies for 2011*, Statement issued 20 January 2011, viewed 18 January 2013, <www.timor-leste.gov.tl/>.

12 The final amount allocated to the Infrastructure Fund was reduced by \$150 million to \$604.4 million.

13 Ministry of Finance, Government of the Democratic Republic of Timor-Leste, *2013 State Budget, Book 1*, pp. 22–31, viewed 20 January 2013, <www.mof.gov.tl/>.

14 Department of Foreign Affairs and Trade, *Australia – Timor-Leste Maritime Arrangements*, Fact Sheet, viewed 21 January 2013, <http://dfat.gov.au/geo/timor-leste/fs_maritime_arrangements.html>.

Fund's balance was US\$10.35 billion and is projected to be \$12.37 billion by the end of 2013.¹⁵

- 2.21 Withdrawals from the Petroleum Fund account for the overwhelming share of revenues expended by the Government – withdrawals accounted for over 82 per cent of public spending in 2012 and will account for some 66 per cent in 2013. Withdrawals have exceeded the Estimated Sustainable Income (ESI) level of the Fund (i.e. the approximate level at which funds can be withdrawn while maintaining long-term capital value) since 2009, although withdrawals are budgeted to be reduced in line with the ESI and amount to US\$787 million in 2013.¹⁶
- 2.22 The Petroleum Fund Law permits the Government to withdraw an amount from the Fund in excess of ESI provided that a justification that it is in the long-term interest of Timor-Leste to do so is submitted to, and approved by, the National Parliament.

Development context

- 2.23 Timor-Leste ranked 134 out of 186 countries in the United Nations 2013 Human Development Index.¹⁷ Thirty seven per cent of Timorese – almost 450,000 people – live below the global poverty line of US\$1.25 per day.¹⁸
- 2.24 Various development indices illustrate the dimensions of poverty in Timor-Leste, such as (with comparisons to Australia in brackets):
- life expectancy at birth is 62 years (Australia: 82 years);
 - the infant (under one year of age) mortality rate is 46 deaths per 1,000 live births (Australia: four deaths per 1,000 live births), while the mortality rate for children under five years of age is 55 deaths per 1,000 live births (Australia: five deaths per 1,000 live births);
 - the adjusted maternal mortality ratio (in 2008) was 370 deaths per 100,000 live births (Australia: eight deaths per 100,000 live births);

15 Ministry of Finance, Government of the Democratic Republic of Timor-Leste, *2013 State Budget, Book 1*, p. 7, viewed 20 January 2013, <www.mof.gov.tl/>.

16 Minister of State, Government of the Democratic Republic of Timor-Leste, 2013 State Budget of Timor-Leste unanimously approved, viewed 16 April 2013, <<http://timor-leste.gov.tl/>>; Ministry of Finance, Government of the Democratic Republic of Timor-Leste, *2013 State Budget, Book 1*, p. 5, viewed 20 January 2013, <www.mof.gov.tl/>.

17 United Nations Development Program (UNDP), *Human Development Report 2013*, UNDP, New York, 2011, p. 15, viewed 27 May 2013, <http://hdr.undp.org/en/media/HDR2013_EN_Summary.pdf>.

18 AusAID submission to the JSCFADT inquiry into Australia's relationship with Timor-Leste (*Submission No. 22*, p. 6).

- 45 per cent of children under the age of five are moderately to severely underweight, while 56 per cent of children under the age of five suffer from stunting; and
 - average years of schooling is 2.8 (Australia: 12 years) and the rate of adult literacy is 50.6 per cent (Australia: 99 per cent).¹⁹
- 2.25 Nevertheless, the UN reports that poverty in Timor-Leste is decreasing. For instance, since 2005 life expectancy at birth has increased by two years, primary school enrolment has jumped from 63 per cent to 90 per cent and the country is forecast to virtually eliminate adult illiteracy by 2015.²⁰
- 2.26 As at July 2012 Timor-Leste had a population of approximately 1.2 million, with the population forecast to grow at an average annual rate of 2.9 per cent between 2010 and 2015.²¹ In 2011 the median age in Timor-Leste was 16.6 (in comparison, the median age in Australia was 36.9).
- 2.27 While the official unemployment rate is only 3.6 per cent, almost 70 per cent of the working population (176,000 people) were classified as being in ‘vulnerable employment’ in 2009–10; that is, working for themselves or in subsistence agriculture. These people are considered unlikely to have any guaranteed salary and will probably not have any job security. The *Timor-Leste Labour Force Survey 2010* states that the level of vulnerable employment is a more useful indicator than the unemployment rate.²²
- 2.28 The official languages of Timor-Leste are Tetum and Portuguese, while Indonesian and English are working languages. In addition, there are some 16 Indigenous languages spoken across Timor-Leste.

19 See: United Nations International Children’s Emergency Fund, *Country statistics*, viewed 20 January 2013, <www.unicef.org/statistics/index_countrystats.html>; ICF Macro, *Timor-Leste Demographic and Health Survey 2009-10*, Ministry of Finance, Democratic Republic of Timor-Leste, Calverton, Maryland, December 2010.

20 UNMIT, *Timor-Leste and the United Nations: Building on stability*, 2012, viewed 23 January 2013, <<http://unmit.unmissions.org/>>.

21 UNDP, *Human Development Report 2011 – Sustainability and Equity: A Better Future for All*, UNDP, New York, 2011, p. 164, viewed 20 January 2013, <<http://hdr.undp.org/en/reports/global/hdr2011/>>.

22 Secretariat of State for Vocational Training and Employment and the National Statistics Directorate, Government of the Democratic Republic of Timor-Leste, *Timor-Leste Labour Force Survey 2010*, p.viii, viewed 21 January 2013, <<http://dne.mof.gov.tl/publications/index.htm>>.

Visits and issues discussed in Timor-Leste

2.29 The formal program commenced with a briefing by the Ambassador, His Excellency Mr Miles Armitage, Defence Attaché, Commander of the ISF, AusAID Head and the Head of the Timor-Leste Police Development Program. Issues canvassed included the 2012 Budget debate set to commence shortly after the visit, capacity building among the Timorese civil service, scholarships for the Timorese to work in Australia and the need for English language training, and the desire of Timor-Leste to become a member of ASEAN.

Defence support and cooperation

2.30 Accompanied by the Head of the ADF Defence Cooperation Program (DCP) in Timor-Leste, Lieutenant Colonel Ron Baumgart, the delegation visited the Timor-Leste Defence Force (F-FDTL) Training Facility at Metinaro, which was constructed with funding provided under the DCP.

2.31 The DCP in Timor-Leste, which commenced in 2001 and currently involves 24 ADF personnel, aims to assist with the development of the F-FDTL through military training, advice and support. The Program is conducted independently of the ADF military commitment to the UN's mission in Timor-Leste. The Program conducts a range of activities and projects with the F-FDTL, embracing training and advisory roles such as:

- English language instruction to prepare military personnel for further military education and training opportunities;
- Leadership training, development and skills enhancement for junior military personnel;
- Higher-level staff training in the areas of command, leadership and discipline and military planning, logistics and administration;
- Communications, equipment and management training to support the military command network; and
- Senior level Ministry of Defence and military advice, including capability and force development, military doctrine, financial, communications and finance and budget coordination advice.²³

23 Department of Defence, *Defence Support to Timor-Leste*, viewed 17 April 2013, <<http://www.defence.gov.au/opspire/>>.

- 2.32 The 26 courses being provided to the F-FDTL at the Training Facility include Engineering, Construction, Vocational Mathematics, HF / VHF Communications, Combat Medic first aid techniques, Logistics and Small Arms Instructor training.
- 2.33 The value of the English language training provided under the DCP was emphasised to the delegation. The training program typically takes two years and is conducted by four contract ESL teachers. Following the training, two Timorese officers are admitted to Australia's Royal Military College for each intake. Army officers are also sent for further training to New Zealand, Portugal, Japan and intermittently to the United States of America. Portugal provides the F-FDTL with all basic military training.
- 2.34 It was explained that the Metinaro Facility needs resourcing in order to continue its work and that despite the F-FDTL being offered support from a range of donors, the training provided by the ADF in Timor-Leste is unique.
- 2.35 It was explained that the F-FDTL is comprised of approximately 1,800 personnel. This includes some 400 officers and approximately 200 naval personnel. The remuneration for F-FDTL personnel was said to be good relative to the private sector, with officers of Captain rank earning some A\$300 per month. A recent intake received some 17,000 applicants, from which 700 recruits were selected.
- 2.36 The delegation noted that ADF engagement with Timor-Leste will continue following the conclusion of ISF operations through the DCP.
- 2.37 The visit to Metinaro was followed by a tour of Port Hera, where the delegation was briefed by Lieutenant Commander Derek Robinson on Timor-Leste's maritime security issues and the assistance provided by the ADF. This has included the preparation of a master plan for the possible redevelopment of Port Hera. The delegation also had the pleasure of having lunch with Australian and New Zealand military personnel at Camp Phoenix.

Australian-funded aid projects

- 2.38 Australia is Timor-Leste's largest bilateral aid donor, contributing A\$104.2 million in 2011-12. In the period from 1999 to June 2011, Australia donated \$1.04 billion in emergency and development aid to Timor-Leste.
- 2.39 Australia expects to provide \$116.7 million in Official Development Assistance (ODA) to Timor-Leste in 2012-13, comprising \$84.3 million in AusAID funding and \$32.4 million in funding by other Australian

Government departments, virtually all of which will be provided via the Australian Federal Police.

- 2.40 Development assistance is delivered under a *Strategic Planning Agreement for Development between the Government of Timor-Leste and the Government of Australia* (2011) and is based on priorities and targets identified by the Government of Timor-Leste in its *Strategic Development Plan 2012–2030*.

Figure 2.1 The delegation visiting Timor-Leste's naval facilities and patrol boats at Port Hera



- 2.41 Australian aid funding is mainly provided for projects in the following priority areas, with the percentage of the total ODA for 2012-13 shown in brackets:

- *Saving lives* (18 per cent)

Examples: Rural Water Supply and Sanitation Program ('BESIK') and the Australia Timor-Leste Program of Assistance for Specialised (medical) Services (ATLASS) which is intended to develop a cohort of Timorese doctors with the ability to provide a basic range of medical, surgical, and maternity services.

- *Promoting opportunities for all* (14 per cent)

Example: Education Sector Support Program to improve the education system of Timor-Leste so that the Government can deliver better education services to its people. In particular, the Program aims to help the Ministry of Education to improve its budgeting, planning and reporting.

- *Sustainable economic development* (12 per cent)

Example: 'Seeds of Life', run in partnership with the Australian Council for International Agricultural Research, aims to improve food security and reduce hunger in Timor-Leste.

- *Effective governance* (45 per cent)

Example: Electoral Capacity Building Program aimed at helping Timor-Leste's citizens to better participate in their democracy. The program is delivered by the Australian Electoral Commission.

- 2.42 Following the Australian Government's announcement on 17 December 2012 to reprioritise resources within the aid budget, the 2012-13 budget estimate for the Timor-Leste country program was reduced by \$8.3 million. This comprises deferral of payments to 2013-14 from the health program (\$3.0 million) and the rural roads program (\$5.3 million).
- 2.43 The delegation visited a range of aid projects in Dili and the districts. These visits highlighted the breadth of the development assistance being provided and the challenges being encountered.
- 2.44 Given the levels of malnutrition in Timor-Leste, the delegation was inspired to hear of the nutritional benefits that Timorese children and pregnant and lactating women are receiving from fortified blended food that a company, Timor Global, is producing for the Timorese Government's Supplementary Feeding Programme. Timor Global is supported by the World Food Programme, AusAID and the governments of Japan and Spain.
- 2.45 Accompanied by Mr Alberto Mendes, Country Director for the World Food Program, the delegation visited Timor Global's factory at Railaco in the Ermera district where the food, known as Timor-Vita, is produced.
- 2.46 The Timor-Vita product is intended to be of high quality and locally produced. It is meant to increase food security and address malnutrition. Being pre-mixed and packaged, the food is straight forward to distribute and use. The composition of the food has been adjusted to meet the taste of Timorese women and children, and to meet their nutritional needs as a

supplementary food. At the time of the delegation's visit, monthly production of Timor-Vita was some 200 tonnes which was sufficient to supply 35,000 people (35 per cent of the total estimated beneficiaries).

2.47 The delegation noted that, in addition to its ease of use, apparent acceptability amongst the population and the nutritional benefits, Timor-Vita is also intended to replace imports of foreign produced food and provide a market for Timorese farmers using local agricultural products.

Figure 2.2 Mr Nick Champion MP discussing the Timor-Vita fortified blended food product with Mr Bobby Lay Ni Sing of Timor Global



2.48 Also at Railaco the delegation received briefings from representatives of a number of NGOs supported by AusAID, including BESIK (water, sanitation and hygiene), Seeds of Life (agriculture), Health Alliance International (maternal and child health) and Marie Stopes (contraception). The delegation also met with Australian volunteers working in Ermera.

Figure 2.3 Timor-Vita fortified blended food which is being produced with AusAID support



- 2.49 The Seeds of Life program, which is supported jointly by AusAID and the Australian Council for International Agricultural Research, is intended to improve food security in Timor-Leste through increased productivity of major food crops (maize, rice, sweet potato, cassava and peanuts) under usual farming practices. A key goal of the program is to ensure that the Timorese people have sufficient carbohydrates, which some 100,000 families currently lack at key times of the year. Specific objectives of the program, which is now in its third five-year phase since it commenced in 2000, include ensuring that 107,000 farmers (some 70 per cent of all farmers in Timor-Leste) are planting improved varieties of food crop. It is intended that the majority of farming families will increase their food

production by around 50 per cent each year, accessing hundreds of tonnes of maize, rice and peanut seed and tens of millions of cuttings of improved varieties of sweet potato and cassava crops via a national seed system.

- 2.50 Two members of the delegation, Mrs Joanna Gash MP and the Hon Dr Sharman Stone MP, travelled to Remexio in the district of Aileu to view a solar lighting system project funded by an Australian friendship group from Kangaroo Valley in NSW (the Kangaroo Valley-Remexio Partnership). The project had provided power to some 860 homes in the district at the time of the visit and the KVRP had raised \$180,000 since 2009 towards the Village Lighting Scheme.
- 2.51 In Dili, the delegation visited the National Hospital and Eye Clinic and received briefings from Dr Eric Vreede of ATLASS and Ms Mandy Whyte from Fred Hollows New Zealand, both of which are funded by AusAID. Dr Vreede informed members that ATLASS supports the Royal Australasian College of Surgeons teams which travel to Timor-Leste for short periods to provide specialist services (such as cataract or cleft palate surgery), primarily in the districts. The program also supports three Timor-Leste-based international specialists in anaesthesia, general, and orthopaedic surgery. Dr Vreede and Ms Whyte conducted members on a visit of the National Eye Centre which was nearing completion at the time of the visit.
- 2.52 The delegation visited the Alola Foundation, a local NGO supported by AusAID which facilitates a range of programs for women and children, and were briefed by the Chair of the Foundation, Ms Kirsty Sword-Gusmao, and the Chief Executive Officer, Ms Alita Verdial.
- 2.53 Ms Sword-Gusmao and Ms Verdial explained that Alola was created in 2001 to raise awareness of the widespread sexual violence against women and girls in Timor-Leste during the militia attacks of September 1999. Since its founding, Alola has expanded its mission to develop women leaders and advocate more generally for the rights of women. In addition to the original focus on gender-based violence, Alola now focuses on four other areas: maternal and child health; education and literacy; economic development; and advocacy for women's rights. It was explained that Alola now has 148 staff and is represented in all districts of Timor-Leste.
- 2.54 Ms Sword-Gusmao described Alola's participation in the development of a Mother Tongue-Based Multilingual Education Policy for Timor-Leste which has now been finalised. It was explained that there are 32 Indigenous languages spoken in Timor-Leste, some of which are listed as endangered by UNESCO.

- 2.55 This led to a discussion with members concerning the languages taught to Timorese children, the utility of Portuguese and Tetum as the country's two official languages and whether there ought to be greater use of English. The delegation identified the problem associated with teachers and students being required to mostly learn in the national language of Portuguese, particularly given how few of the younger generation now speak this language fluently or at all.

Police support

- 2.56 The delegation received a briefing from the Head of the Timor-Leste Police Development Program (TLPDP), Commander Charmaine Quade, and other members of the Australian Federal Police who form the Executive of the TLPDP.
- 2.57 Commencing in 2004, the TLPDP is a capacity building program of assistance to the Policia Nacional de Timor-Leste (PNTL). The overarching objectives of the TLPDP are to assist the Government of Timor-Leste in building the foundations of an effective and accountable police service, and to establish a policing capability which supports and strengthens the rule of law.
- 2.58 Capacity building priorities are focussed on the areas of investigations, training and governance. The TLPDP does not possess executive policing authority and as such does not engage in any aspect of operational policing activities in Timor-Leste.
- 2.59 The TLPDP comprises 33 AFP members, 10 civilian specialists and seven locally engaged staff. Funding for the Program is budgeted to continue to 2014 and is delivered solely by the AFP.
- 2.60 Following the briefing, the delegation was conducted on a tour of the Police Training Centre (PTC) in Comoro by the PTC's Commandant, Chief Superintendent Carlos Jerónimo. In May 2010 the TLPDP commenced a three-year \$6 million design, building and refurbishment of the PTC, which was largely completed at the time of the delegation's visit.
- 2.61 The training component of the TLPDP, which is provided at the PTC, has two main elements:
- developing and delivering diploma and certificate training in Executive Police Management to over 250 Police Executive Officers; and
 - investigations training for the PNTL Criminal Investigations Service.

- 2.62 At the time of the delegation's visit, the AFP also had 50 members deployed to UNMIT, working under the command of the UN. Since July 1999, over 800 AFP members have been deployed to UN missions within Timor-Leste. With the expiry of its mandate in December 2012, the remaining AFP members deployed to UNMIT were withdrawn. The AFP's presence in Timor-Leste continues with the TLPDP.

Figure 2.4 The delegation visiting the Police Training Centre, accompanied by Chief Superintendent Carlos Jerónimo, Australia's Ambassador His Excellency Mr Miles Armitage and Australian Federal Police Commander Charmaine Quade



Vice-Minister for Foreign Affairs

- 2.63 The delegation held discussions with the Vice-Minister for Foreign Affairs, His Excellency Mr Alberto Carlos. The Vice-Minister expressed the Government of Timor-Leste's gratitude for Australia's efforts during its struggle for independence and with development assistance since.
- 2.64 The Vice-Minister requested Australia's support for Timor-Leste's application to join the Association of Southeast Asian Nations (ASEAN). He noted the impediments to Timor-Leste's application that are

sometimes cited. These include the size of the Timorese economy, the level of development, uncertainty as to Timor-Leste's readiness for economic integration with the other ASEAN countries, and that a significant UN presence remains in the country. The positions of various regional countries on Timor-Leste's application were discussed.

2.65 Issued canvassed by members included:

- The status of the relationship between Timor-Leste and Indonesia. The Minister responded that the relationship was now very constructive. It was remarked that Timor-Leste 'needs friends' and simply must foster good relations with Indonesia. The delegation was encouraged by these sentiments.
- Employment for the people of Timor-Leste and, specifically, youth employment. Minister Carlos stated his belief that the quality of education and public health needs to improve and that assistance is needed from neighbouring countries, especially in education and infrastructure. He would like to see more scholarships for Timorese students to study in Australia but also hopes that, in time, Timor-Leste could establish one or two good universities of its own. The Minister noted that there is some \$25 million in the Budget for human capital development, which includes funding to study abroad.
- Foreign investment. The delegation enquired how Australia might assist in meeting what is a major challenge for the Government of Timor-Leste in developing new industries which can provide employment. The Minister responded that Timor-Leste clearly needs to attract more foreign investment, but that some potential investors remain concerned about political stability in the country. He noted that the Chinese have a couple of projects underway, but would welcome more interest from Indonesia, Australia and New Zealand. Noting that Timor-Leste is a picturesque country with a scenic coast line and mountains nearby, the delegation enquired whether a tourism and hospitality sector could be developed in the country. The Minister agreed, noting that some students are going abroad, including to Australia, to gain experience in the tourism industry. However, he noted that more needs to be done to develop facilities and places for tourists to visit.

2.66 Members of the delegation expressed their hope that the various AusAID funded projects they had seen would succeed for the people of Timor-Leste, noting in particular the Timor-Vita, Seeds of Life and BESIK initiatives helping to combat malnutrition and improve rural water supplies.

President of the National Parliament

- 2.67 The delegation held discussions with the then President of the National Parliament, His Excellency Mr Fernando 'Lasama' de Araujo MP.²⁴
- 2.68 President Araújo was born in Ainaro in 1963. It is reported that, at the age of 12, he witnessed 18 members of his family massacred by the Indonesian Army.²⁵ Later, he studied literature in Bali and was selected as the first secretary general of the East Timor Students' National Resistance (RENETIL), which he founded. As a result of his student activism, he was arrested in 1991 and taken to Jakarta where he was tried for subversion and incarcerated by the Indonesian authorities from 1991 to 1998.
- 2.69 After his release, Araújo studied and taught at the University of Melbourne from 1999 to 2001. In 2001 he formed the Democratic Party, which became the second-largest party represented in the National Parliament following independence in 2002.
- 2.70 In the June 2007 Parliamentary election, the Democratic Party joined a four-party coalition government headed by Prime Minister (and former President) Xanana Gusmão. At the first session of the new Parliament, Araújo was elected President of the National Parliament.
- 2.71 Following the attack which seriously wounded President José Ramos-Horta in February 2008, Araújo became acting President, serving for two months until President Ramos-Horta resumed his official duties.
- 2.72 President Araújo welcomed the delegation to Timor-Leste and responded to a number of questions from the delegation about the challenges facing the country. Committee members enquired about Timor-Leste's wish to join ASEAN, freedom of movement across the border with Indonesia, tariff levels, the levels of government and their responsibilities in Timor-Leste, women in the Parliament, policies to address unemployment and the likely priorities for the government following the 2012 elections.
- 2.73 The President remarked that the Timorese people expect the post-2012 government to accelerate infrastructure development and improve the education sector. The public had hoped that change would be more rapid than it has proven to be. He commented that a smaller coalition of perhaps three or four parties would be preferable to the current coalition which

24 Following the Parliamentary elections held in 2012, Araújo was appointed Vice Prime Minister and Coordinator of Social Affairs. Vicente da Silva Guterres was elected President of the National Parliament.

25 Biographical information obtained from *The Freedom Collection*, George W. Bush Institute, viewed 3 May 2013, <www.freedomcollection.org/>.

involves five parties. The President noted that the CNRT and his own Democratic Party have a similar vision and are likely to remain in coalition.

Figure 2.5 Mr Michael Danby MP with the President of the National Parliament of Timor-Leste, His Excellency Mr Fernando 'Lasama' de Araújo MP



- 2.74 In regards to women in the National Parliament, the President noted that at least one third of parliamentarians must be women and that there are currently 23 women Members. He also noted that the women parliamentarians meet together regularly and have their own caucus.
- 2.75 The President commented that the biggest threat to Timor-Leste is unemployment. He specifically mentioned the importance of inculcating a work ethic among the East Timorese people and felt that sending workers to Japan, Korea, Australia and Malaysia may be a way of gaining this ethic, which would be characterised by what he termed a 'salaried' versus a 'subsistence' mentality.
- 2.76 It was noted that a small number of East Timorese will be travelling to Broome in February 2012 to work for a six month period in the pearling industry as part of Australia's Seasonal Worker Program. The President commented that developing tourism and hospitality industry skills was very important for the country.
- 2.77 In regards to the development of infrastructure, the President commented that hitherto the land law has been a significant challenge, for example in resolving land title issues and giving investors certainty. However, he noted that legislation to resolve these difficulties is now before the Parliament and was expected to be passed in January 2012.²⁶ This should assist, he remarked, in establishing a climate more favourable for investment. It was also noted that a project is now underway, with US and Australian assistance, to establish a comprehensive land title register.
- 2.78 President Araújo identified illegal fishing as a major challenge and conceded that Timor-Leste's patrol boats, which the delegation observed at Port Hera, were not suitable for patrolling the south coast. He noted that a key problem is the maintenance of the boats, which currently go to Surabaya in Indonesia for repairs. Options could include obtaining a floating dock from Australia. The President estimated the value of stolen fish at some \$40 million per year, which he felt would likely exceed the cost of addressing the maintenance challenge for the vessels.
- 2.79 The delegation expressed its admiration for Timor-Leste's establishment of a Petroleum Fund to preserve and best utilise the wealth obtained from the country's petroleum resources. The President pointed to the on-going challenge of ensuring that funds are accumulated while also investing in vital infrastructure to aid the country's development.

26 The delegation understands that the Land Ownership Bill, which passed the Parliament, was vetoed by the President. A new proposal is intended to be presented to the Cabinet.

Commission B of the National Parliament

- 2.80 The delegation held discussions with the President and members of Commission B, which is the Timorese Parliament's Committee on Foreign Affairs, Defence and National Security.
- 2.81 The responsibilities of Commission B include analysing draft legislation and petitions, conducting research, drafting reports and holding consultations with members of civil society in the policy areas of foreign affairs, defence and national security. The Commission is comprised of 10 members.
- 2.82 The members of Commission B present for the discussion with the delegation were:
- Mr Duarte Nunes MP (CNRT) (President of Commission B)
 - Mr Paulo de Fatima Martins MP (CNRT) (Vice President of Commission B)
 - Mr David Ximenes MP (Fretilin)
 - Mr José Teixeira MP (Fretilin)
 - Mr Domingos Mesquita MP (PUN²⁷)
 - Mr Adriano Nascimento MP (PD)
 - Mr Cornelio 'L7' Gama MP (UNDERTIM²⁸)
- 2.83 President Nunes was born in Lospalos in 1953. He is the Second Vice-Secretary General of CNRT, of which he was a founding member. Mr Nunes was a sergeant in the Portuguese army from 1973 to 1975 and became a member of the Armed Forces for the National Liberation of East Timor (FALINTIL) during the resistance from 1975 to 1979. He was imprisoned by the Indonesians from 1979 to 1982. Mr Nunes was elected to the National Parliament in 2007 and was President of Commission B until 2012.²⁹
- 2.84 President Nunes noted the strong bilateral relations that exist with Australia and requested ongoing Australian assistance to support the development of Timor-Leste. The President specifically sought Australia's continued support for maritime security, especially in relation to illegal
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27 PUN (National Unity Party).

28 UNDERTIM (National Democratic Union of the Timorese Resistance)

29 Following the Parliamentary elections held in 2012, Mr Nunes became Vice President of Commission B and Ms Maria Lurdes Martins de Sousa Bessa MP was elected its first woman President.

fishing in Timorese waters. He noted that an agreement is in place with Indonesia for maritime security arrangements and progress has also been made concerning the land border.

Figure 2.6 The delegation in discussion with members of Commission B of the National Parliament



- 2.85 Mr José Teixeira MP, a member of the major opposition party Fretilin, explained that his party was committed to maximising outcomes from the Greater Sunrise development for the benefit of Timor-Leste and Australia consistent with the framework of the treaties (see map of the Timor Sea Area at Appendix B).
- 2.86 Mr Teixeira noted shared interests such as addressing irregular people movement and said Timor-Leste wants to play a constructive role in international affairs as a responsible nation. He noted that both CNRT and Fretilin wish to see Timor-Leste admitted to membership of ASEAN. Mr Teixeira suggested that Australia has been a positive role model for Timor-Leste in a number of areas including Australia's commitment to the rule of law, its strong justice sector and community policing model. He sought further assistance to strengthen the F-FDTL and suggested civil-

military cooperation was another area that would benefit from increased Australian support.

- 2.87 Mr Teixeira identified economic and trade relations as an area where the two countries had not yet done enough and called for an Austrade presence in Timor-Leste. He called for improved access to Australian markets for Timorese goods. Finally, Mr Teixeira noted that while there may be times when Australia and Timor-Leste differ in their positions on issues, he believes that the two nations can do so as good friends.
- 2.88 Mr Adriano Nascimento MP also emphasised Timor-Leste's strong desire for onshore processing via a pipeline (as opposed to a floating facility) of the Greater Sunrise gas and condensate resource, which he argued would be a way to stimulate economic development and thereby contribute to stability in Timor-Leste.
- 2.89 The delegation further explored the issues of maritime security, the link between economic development and political stability and the development of the Greater Sunrise fields.
- 2.90 Members of Commission B explained that Timor-Leste has nine boats at present, but these cannot be berthed and Port Hera has problems with silting and flooding. Australia has assisted with a blueprint to resolve these issues. It was explained that maritime security is crucial to Timor-Leste, particularly because of the illegal fishing issue. As also mentioned by the President of the Parliament, Commission B members remarked that illegal fishing costs the country some \$40 million per year. Redevelopment of Port Hera would cost in the order of \$50 million and so it was argued that this would be a good investment. Redevelopment of the Port would involve moving the mouth of the adjacent river and building a substantial rock wall.
- 2.91 In relation to the question of whether development of the Greater Sunrise fields should be on or offshore, delegation members expressed the view that while there is tremendous good will for the people of Timor-Leste in Australia, the mode of development is ultimately a business decision for the Joint Venture Partners and not the respective parliaments. It was also remarked that while LNG projects can generate considerable income and employment during the construction phase, they tend not to provide large numbers of jobs in the operational phase. Consequently, the delegation members suggested that it may be prudent for the Timorese to focus on other projects as well.

Figure 2.7 Mr Michael Danby MP with the President of Commission B, Mr Duarte Nunes MP



United Nations Integrated Mission in Timor-Leste

2.92 The delegation was briefed by the UN Secretary-General's Special Representative (UN SRSG) for East Timor, Ms Ameerah Haq, and her senior leadership team, including Mr Shigeru Mochida (Deputy SRSG for the Security Sector), Mr Finn Reske-Nielsen (Deputy SRSG for

Governance, Support, Development and Humanitarian Coordination), Mr Luis Carrilho (Police Commissioner) and Mr Toby Lanzer (Chief of Staff to the SRSG).

- 2.93 The UN SRSG and her team briefed members on the security environment in Timor-Leste, preparations for the country's elections in 2012, the development challenges in Timor-Leste, and the United Nations Integrated Mission in Timor-Leste's (UNMIT) priorities and transition planning.
- 2.94 Ms Haq expressed her appreciation for Australia's support for Timor-Leste and UNMIT. Ms Haq said Timor-Leste's political leaders appeared to be committed to free, fair and non-violent elections. She described herself as cautiously optimistic about Timor-Leste's prospects but noted a range of ongoing challenges including violence between martial arts groups (MAGs), high levels of youth unemployment and weak governance.
- 2.95 It was noted that small incidents can escalate rapidly in Timor-Leste. For example, a stabbing which recently took place in Zumalai during a fight between MAGs led to a large number of houses being destroyed.
- 2.96 Ms Haq noted that the Bishop of Baucau, Basílio do Nascimento Martins, had brought representatives of all political parties together for two rounds of talks, most recently on 20 July 2011. All parties committed to non-violence.
- 2.97 UNMIT handed over policing responsibilities to the PNTL in March and there has been no spike in crime since that time, which Ms Haq commented bodes well for the security situation. UN assistance with the conduct of elections has decreased overtime and in 2012 will be limited to technical assistance to the Timorese only.
- 2.98 Commenting on the level of maturity now evident in Parliamentary processes and debate, Ms Haq felt that the 10th anniversary of independence in 2012 would be an appropriate time for the UN to depart the country, assuming the positive trends continue. As noted above, UNMIT's mandate expired on 31 December 2012 and the UN's peacekeeping mission in Timor-Leste came to an end.
- 2.99 It was explained that UNMIT will have three priorities during its final year:
- Continued, intensified work with the PNTL to build their operational and logistical capacity. There are currently 1,280 staff in the United Nations Police (UNPOL) in Timor-Leste, of which 257 are specialised

advisors. UNPOL are deployed at the sub-district level across the country.

- Support for the conduct of the 2012 Presidential and Parliamentary elections. The UN will engage in voter education and particularly reach out to women to ensure that women are well represented in each party.
- The UN's own transition. Ms Haq explained that she had signed a joint transition plan with the President and Prime Minister. The plan sets out the (129) activities to be undertaken by UNMIT to 31 December 2012, what UN presence will remain following the expiry of UNMIT's mandate, and what work may be picked up by the bilateral partners, including Australia (e.g. police training). At the time of the delegation's visit, the form of on-going link to the UN Security Council had not been determined. Ms Haq explained that it was possible there could be a small ongoing UN police presence but that Prime Minister Gusmão had expressed a preference for maintaining a UN political presence only.

- 2.100 Ms Haq remarked that, overall, UNMIT has arguably been the UN's most successful mission.
- 2.101 The delegation raised the possible impact of UNMIT's departure on the locally engaged support staff and on the hospitality sector in Dili. Ms Haq responded that UNMIT was conscious of these issues, noting that there are some 1,000 locally engaged staff that will not have employment following the UN's departure. The local staff will have to be equipped and prepared for the UN's departure. Commenting on the unemployment situation, Ms Haq observed that the private sector is not sufficient to absorb the surplus labour, so public sector employment will be necessary.
- 2.102 Committee members raised the issue of the hidden costs of doing business in Timor-Leste and of anecdotal comment on the presence of corruption in the country. Ms Haq responded that Timor-Leste is listed among the hardest countries in the world to do business in, but that some investors may be waiting until after the elections have been held in order to gauge the level of stability before making investment decisions.
- 2.103 Mr Reske-Nielsen advised that the UN supports the country's Anti-Corruption Commission but that he himself has not witnessed any significant corruption in Timor-Leste. It was remarked that 'Timor-Leste is not Papua New Guinea' but that corruption may be occurring at a middle management level in certain areas of the public service. Timor-Leste's Anti-Corruption Commission now has 18 cases before the courts and the District Commissioner in Dili was recently sentenced to 4.5 years in prison. Nevertheless, it was argued that bilateral partners need to be

realistic about the capacity of the legal institutions in Timor-Leste. An important achievement by the Timorese is that the Petroleum Fund is widely considered to be well managed and this is acknowledged by the opposition parties in Timor-Leste.

- 2.104 On the matter of Timorese forced into western Timor, the UN estimates that there may be between 50,000 and 100,000 Timorese across the border. A trickle of these people are returning. Border passes have been instituted. It was observed that the Government of Timor-Leste is in a quandary on this issue because the return of large numbers of people all at once could pose stability and reintegration challenges, but smaller returns at a village level could possibly be accommodated.
- 2.105 Finally, the delegation enquired as to whether the UN will assess its performance in Timor-Leste following its departure. The Committee was informed that the UN is tracking its activities and achievements, and a review will take place following the expiry of UNMIT's mandate.
- 2.106 As noted in the political overview above, UNMIT's mandate expired on 31 December 2012 and the UN's peacekeeping mission in Timor-Leste came to an end.³⁰

President of Timor-Leste

- 2.107 As its final activity in Timor-Leste, the delegation had the honour of meeting and holding a discussion with the then President of Timor-Leste, His Excellency Dr José Ramos-Horta.³¹
- 2.108 The President made candid and highly informative comments on a range of issues. These included an assessment of Timor-Leste's progress since achieving independence, the mixed success of foreign aid programs over the decade since 2002, Timor-Leste's budgetary situation and the imperative as he saw it for fiscal restraint, issues that required addressing in the lead up to the departure of the UN, and the prospects for fair and peaceful elections in 2012.
- 2.109 Reflecting on Timor-Leste's progress since independence and the effectiveness of the aid provided to the country, the President felt that while much has been achieved more could have been done, both by the Timorese themselves and bilateral partners. For example, in 2002 it had

30 The UN has published a Fact Sheet summarising UNMIT's achievements, viewed 12 May 2013, <www.un.org/en/peacekeeping/missions/past/unmit/>.

31 On 16 April 2012 Taur Matan-Ruak (Major General José Maria Vasconcelos) was elected President of Timor-Leste.

been hoped that electrification of the country would have been completed with some \$3 billion in development assistance by 2011, but is now only being completed with revenues drawn from the Petroleum Fund. He stated that the country was far behind where it was hoped Timor-Leste would be in terms of education infrastructure, and queried why more aid funds had not been spent in this area.

- 2.110 Nevertheless, the President noted that Timor-Leste ranks above most African countries in the Human Development Index. For example, with Cuban assistance, Timor-Leste has a relatively high number of doctors per capita, with some 400 doctors graduating in 2012. School enrolment is now at 90 per cent and the country is aiming for 100 per cent in the next few years.

Figure 2.8 The delegation with the President of Timor-Leste, His Excellency Dr José Ramos-Horta



- 2.111 Turning to the budgetary situation, the President commented that he would like to see the Government begin to exercise fiscal restraint as he believed that government expenditure was unsustainable.
- 2.112 In terms of private sector employment opportunities, the President indicated that he had hoped to see two major hotels under construction in

Timor-Leste by now, but felt that the Timorese bureaucracy had been needlessly obstructionist.

- 2.113 The President expressed confidence that the elections due in 2012 would be peaceful and fair, but felt that with some 22 political parties registered to contest the election an issue could be that no party obtains a clear majority.
- 2.114 Confirming the assessment made by the UN SRSG, the President stated that the UN mission in Timor has been its most successful. He felt that the UN staff had conducted themselves very well to date, there having been no incidents of abusive behaviour.
- 2.115 Commenting on the approach taken to ensure security immediately following the Indonesian withdrawal, the President remarked that a bilateral rather than a UN approach was the right course to have taken. The President expressed his thanks and appreciation for Australia's role in ensuring the security of Timor-Leste following the independence referendum.
- 2.116 Asked what he would prefer to see Australia contributing to at this time, the President emphasised that the approximately \$100 million in development assistance that Australia provides per year is very welcome and noted, as an example, the Seeds of Life program. He felt that an increase in access for vocational training for Timorese people in Australia, greater access to the Seasonal Worker Program and additional assistance for infrastructure would be welcomed.³² He also expressed the view that less should be spent on consultants associated with the aid program.
- 2.117 The President explained that access to Australia's Seasonal Worker Program has three major benefits for the Timorese people: a source of income, which can be shared with family members in Timor; the fostering of a strong work ethic; and educational and training benefits.
- 2.118 On military training, the President expressed appreciation and support for Australia's Metinaro facility and the English language training it provides. He hoped that more officers could receive advanced training in Australia in the future.

32 In 2011, 31 Timorese received scholarships to study in Australia through the Australian aid program. In June 2011, 15 Timorese commenced working on a pearl farm near Broome as part of a hospitality pilot program for a possible expansion of the Pacific Seasonal Worker Program. Since then a memorandum of understanding has been agreed with the Government of Timor-Leste and Australia is now receiving Timor-Leste's seasonal workers in the hospitality and horticulture industries.

- 2.119 The President concluded his observations by noting that it was important that Timor-Leste be admitted to membership of ASEAN and he expressed appreciation for Australia and Indonesia's support.
- 2.120 The delegation was honoured to have completed its brief visit to Timor-Leste with such an open and comprehensive discussion with President Ramos-Horta.

Concluding comments

- 2.121 The Committee's delegation was pleased to make what was a brief but enlightening visit to Timor-Leste.
- 2.122 While poverty in Timor-Leste is evident and the development challenges considerable, the delegation noted the determination and quiet optimism of the Timorese people.
- 2.123 The delegation was pleased to observe the many laudable development projects to which Australia is contributing – whether funded through AusAID, the AFP or the efforts of non-government Australian friendship groups with partner communities in Timor-Leste. The delegation was particularly pleased to observe Australian Government support for agriculture (Seeds for Life), water and sanitation (BESIK), and fortified food (Timor-Vita) initiatives.
- 2.124 The delegation notes that several of the Members of the Timorese National Parliament that they held discussions with suffered imprisonment during the period of occupation. The delegation was edified to meet counterparts who were willing to make such sacrifices for their country. Remarkable also was the apparent lack of rancour on the part of the Timorese. Indeed, the Timorese parliamentarians expressed an admirable desire to foster the closest possible relations with Indonesia. Great strides have evidently already been taken in this direction which the delegation applauds.
- 2.125 While noting that Australia's development assistance is provided in accordance with a Planning Agreement with Timor-Leste and is based on priorities identified by the Timorese themselves in their Strategic Development Plan, it became apparent to the delegation that assistance would be welcome in the following areas:
- increased access to vocational training in Australia and to the Seasonal Worker Program;

- on-going defence support and, in particular, for the F-FDTL Training Facility at Metinaro, civil-military cooperation, increased opportunities for Timorese officers to train in Australia, support for the redevelopment of Port Hera and the maintenance of the Timorese naval vessels;
- on-going support for police training and for the wider justice sector; and
- assistance to encourage private sector investment, particularly in the tourism and hospitality industries, establishment of an Austrade presence in Timor-Leste and greater access to Australian markets.

2.126 In February 2013 the Committee commenced an inquiry into all aspects of Australia's relationship with Timor-Leste. The delegation intends that the various issues canvassed in this visit summary will be examined in the course of that inquiry.

2.127 The delegation notes that while it made only a brief visit to the Embassy in Dili, members observed that the fabric of the Embassy seemed in poor condition. Staff and those requiring access to services also appeared to have to work in cramped conditions.

