



Submission No 5

## **Inquiry into Australia's Relationship with Timor-Leste**

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Joint Standing Committee on Foreign Affairs, Defence and Trade  
*Foreign Affairs Sub-Committee*

Submission to:

The Joint Standing Committee on Foreign Affairs, Defence  
and Trade

Regarding:

The Inquiry into Australia's Relationship with Timor-Leste

Focus on the Oecusse District



This submission was written by Paul Bendat of Port Melbourne, Victoria. It is to be read in conjunction with a photo journal dated December 2012. The author's visits to Timor-Leste and the Oecusse District were supported by Sen Nick Xenophon of South Australia. All expenses of those visits were borne by the author. The author is a retired solicitor and electronic media proprietor with philanthropic interests in poker machine reform and an indigenous enterprise in Cape York. The opinions and assertions herein represent the author's views and not Sen Xenophon's.

Timor-Leste's Oecusse enclave is bordered by the Savu Sea to the north and Indonesia on its other boundaries. It is home to some 67,000 residents and divided from the rest of the country by roughly 60 kms of Indonesian territory. It became the first seat of Portuguese holdings on the island in 1701 and has ever since remained politically distinct. The border of Oecusse was not ratified until 1916 but even now only serves as the reference for delimitation efforts between Timor-Leste and Indonesia.

After the independence referendum in 1999, Oecusse was subject to bloody retribution from local militia. There was huge displacement of the population and an estimated 95% of the housing in the district capital was destroyed. Electrical and water systems were removed.

My snapshot "on the ground" examination of AusAID performance in Oecusse should be read together with the May 2011 Annual Program Performance Report 2010. They reveal a self-admitted substandard performance by AusAID. The document is the latest to be published on the AusAID web site. <http://www.ausaid.gov.au/countries/eastasia/timor-leste/Documents/annual-program-performance-2010.pdf>

Attempts to increase economic activity in Oecusse via agriculture or agro-forestry are challenged by dry climate, poor soils and mountainous topography that offers little flat land. Commercial logging, particularly sandalwood, and extensive clearing has degraded the environment. Severe erosion was observed.

Electricity is only available 12 hours each night. The result is limited commerce. The community's generator site lacks security and appears poorly maintained.

Lack of roads and bridges are a barrier to self improvement. Without transportation infrastructure, there can be no progress to self sufficiency.

The roads that AusAID's designate, the International Labor Organisation, promised to the people of Oecusse are:

- 5 km dirt road from Aldeia Mahata Suco Lelaufe to Aldeia Hautefu Suco Banafi Nitibe
- 4 KM dirt road from Aldeia Noque Suco Naimeco to Aldeia Lakufuan Suco Costa

I traveled these roads and it would seem that these improvements may not have been built or maintained.

Lack of a single bridge, let alone the small number of basic bridges that are needed over the Tono and Oenuno rivers effectively isolates significant parts of the district. Internal trade remains difficult as a consequence.

Transport from Oecusse to Dili relies upon a twice weekly ferry. When the ferry is under repair, there is effectively no supply of goods. The ferry can be out of service for over a month at a time. The report of the International Crises Group (Asia Briefing #104 of 20 May 2010) Timor-Leste: Oecusse and the Indonesian Border states:

“traffic between Oecusse and the rest of the country, ... is expensive and erratic. Only residents of border sub-districts are to be eligible for the pass and only for trips of a limited distance. The ferry that operates twice weekly between Dili and Oecusse is expensive, and it is often out of service. Traveling overland requires multiple permits that are costly and time-consuming to obtain. A visa-free land corridor linking Oecusse with Timor-Leste is not being actively considered.”

<http://www.crisisgroup.org/~media/Files/asia/south-east-asia/timor-leste/B104%20Timor-Leste%20-%20Oecusse%20and%20the%20Indonesian%20Border.pdf>

The border between Oecusse and Indonesia remain disputed. Trade with West Timor is limited. Furthermore, my observation is that the disputed area could support agriculture. The dispute is detailed in the report of the International Crises Group referred to above. This is an opportunity for positive intervention by Australia that could have short term positive results leading to significant long term trade benefits.

Oecusse has almost no export economy. I urge the Committee to consider the 2007 RMIT report Social and Economic Development in Oecusse, Timor-Leste <http://mams.rmit.edu.au/f6qs47gbumu3.pdf> and its follow-up Oxfam 2008 study funded by the European Union. Oecusse Market Research Report - Oxfam Australia. <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDEQFjAA&url=http%3A%2F%2Fresources.oxfam.org.au%2Fpages%2Fdownload.php%3Fref%3D463%26size%3D%26ext%3Dpdf%26k%3D%26alternative>

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These two reports outline opportunities for self sufficiency by means of enterprise. Both require updating and then action.

Cattle has been a limited export. There also appears to be opportunity for groundnut cultivation and profitable export to both Australia and Asia.

The critical issue most apparent was the lack of reliable water. I met with a number of local officials. None of them were able to point to a water resource plan. No one could point to any plan for dams or harvesting of ground water. Without water there can be no sustainable economy. Improvement of the water resource should be the highest priority.

While good work appears to be undertaking by the Japanese government with respect to enhanced port facilities; those facilities do not allow for container shipping nor a supply of fuel. Other capital works (a hospital, border facilities and a municipal building) appear first rate but are limited in functionality. I agree with the finding of the International Crises Group (Asia Briefing #104 of 20 May 2010)

“The streets of Pante Makassar are now lined with central government buildings, many of them newly finished. They bring a visible marker of Dili’s commitment to developing the enclave. Staffing these buildings and ensuring they provide effective services are greater challenges, however, than building them.”

The same comment can be applied to the maintenance of equipment.

Australia’s track record of providing Timorese youth with educational opportunities at both secondary and tertiary levels appears to be lacking. In Oecusse, I observed a poster advertising Australian Development scholarships for 2014. All scholarships were at a tertiary level. The total was “up to 40” for Australia and “up to 15” for New Zealand. This is inadequate.

I urge the Committee to visit Oecusse and obtain first hand knowledge. Much is gained by traveling their roads and talking one on one with Oecusse people. I have not covered the horrifically high incidence of childhood

mortality or the prevalence of diseases in Oecusse once thought cured such as tuberculosis or leprosy.

While Oecusse remains the most isolated and economically vulnerable of Timor-Leste's thirteen districts, there is hope for the future amongst its people. Effective AusAID will be warmly welcomed

I am happy to appear before the Committee.