



Submission No 15

Inquiry into Australia's Relationship with Timor-Leste

Organisation: SEARCH Foundation

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

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to the Foreign Affairs Sub-Committee
of the Joint Standing Committee on Foreign Affairs, Defence and Trade

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by the SEARCH Foundation

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Introduction

The Social Education, Action and Research Concerning Humanity (SEARCH) Foundation is a non-profit company which promotes democracy, social justice and ecological sustainability.

Its members have a long association with Timor-Leste, dating from the origins of the independence movement following the carnation revolution in Portugal in April 1974.

Our most recent engagement was to send election observer teams to the two rounds of the Presidential Election and the Parliamentary Elections in 2012.

Executive Summary

Australia must repair the damage it has done over the seabed boundary issue of 2000-2005, and in its partisan intervention against FRETILIN in 2006-07.

Australia's aid must shift from security spending to economic development, especially by providing support to effective health and education programs provided by agencies from developing countries, such as the outstanding Cuban medical and literacy programs.

Australia should strongly support the long-term economic security arrangements embedded in the Petroleum Fund, support Timor-Leste's present approach of avoiding indebtedness, and support its aspirations to develop an onshore petroleum industry, based on its natural resource endowments.

Australia should honour the Timorese people's sacrifice in World War II by avoiding policies which would make it once again an offshore battlefield for the defence of Australia.

Australia should develop respectful dialogue processes with Timorese political parties, and support strongly the local government sector's city-to-city relationships with Timorese townships.

Bilateral relations at the parliamentary and government levels

Australia is one of the two 'giant' neighbours which Timor-Leste must relate to for the long term, the other being Indonesia. Australia has played a crucial role in the post-1999 referendum period, mainly in the area of security, between 1999-2002, and 2006-2012, and is playing a growing role in the area of aid and development.

However, there is no strong record of bilateral relations at the parliamentary level. Just what such a relationship could entail should be the focus of consultation between the two parliaments. The differences in language and parliamentary systems should be respected in any such exploration.

Australian local government has a closer and more sustained connection to townships in Timor-Leste. The Australian government should consider how it could help to develop these relationships, which have strong community support in Australia.

Australia's military actively campaigned against FRETILIN in the 2006-07 period, which was an abuse of power carried out under the cover of peacekeeping.

Australia's parliamentary parties should develop a respectful dialogue with both CNRT and FRETILIN and other political figures in Timor-Leste to repair the damage done, to deepen an understanding of the problems that Timor-Leste is trying to overcome, and to cement what can be a profoundly positive relationship for the long term.

Aid, including support with governance issues

AusAid's priorities in Timor-Leste are focused on governance and emergency assistance, and to some extent on agriculture, water and sanitation and education.

Our assessment is that poor Cuba, through its contribution of doctors and training of Timorese doctors, and its contribution on adult literacy, has had a far more effective role in development in Timor-Leste than Australia, with its much vaster resources.

Agriculture is a vital but badly neglected sector of Timor-Leste's society and economy. Australia should consider directing any aid support into this sector through capable institutions from other developing countries, including Cuba. Australia should explore with the Cuban government how it could support and perhaps expand the contribution which Cuba is making there.

Economic issues, including trade and investment

The number one area of joint economic concern for Australia and Timor-Leste is the petroleum industry. Australia has played a very bad role in this sector for decades, culminating in its withdrawal from the jurisdiction of the International Court of Justice for maritime boundaries, in order to deny Timor-Leste ownership of its natural resources in the Timor Sea.

Australia should reconsider this decision, and reopen seabed boundary negotiations with Timor-Leste in line with current international law and practice. This would profoundly improve Australia's relationship with Timor-Leste at all levels.

As well, Australia's government should not simply champion Australian corporations, such as Woodside, in the petroleum sector, but instead champion Australia's long-term interest in a strong friendship with Timor-Leste and therefore support Timor-Leste's legitimate aspiration to develop an on-shore oil and gas sector, based on its natural resource patrimony.

Connected with the petroleum sector is the Petroleum Fund, which was created to provide a long-term secure economic base for the people of Timor-Leste after the oil and gas reserves are exhausted.

The Australian government should support this policy strongly, and discourage efforts to persuade Timor-Leste to borrow against the Petroleum Fund assets, or to invest part of the Fund into global equity markets which are inherently risky, rather than to invest in long-term capital-secure assets.

People to people links

Australia should be actively supporting Timor-Leste to develop and manage its own affairs as an independent nation.

We should continue to support the programs and community initiatives that have worked to improve livelihood health, numeracy and literacy for Timorese people.

There should be improved support for Australian local councils that have successfully developed and maintained ongoing city-to-town friendship relations with Timor-Leste. Funds available in the AusAid Government Partnerships for Development program should be promoted to Australian local government to sustain and boost these practical friendship links.

Australia's trade unions have strongly supported Union Aid Aboard – APHDA programs for vocational training and management skills development. These should receive practical support from government departments. A strategic program supported by APHEDA is the new Timor-Leste Working Women's Centre.

The work of APHEDA could well be expanded with more people in the field, helping establish community-based enterprises, facilitating micro-finance schemes, if the Australian Government got behind the ACTU's initiative with real no-strings-aid.

Attention to this could well help to reduce the drift of population from the countryside to Dili and Baucau.

Social Security and wider pension schemes are also very important for social stability and development, and Timorese initiatives to develop these should be supported by all levels of Australian society. This has to include a National Medical Scheme which could incorporate an injured workers scheme on a no-fault basis that provides support for breadwinners who become incapacitated through illness or injury that precludes their ability to provide for their dependents.

Union Aid Abroad – APHEDA and individual Australian unions, as well as some international union centres such as Education International, also organise direct support to trade union development in Timor-Leste, through its national centre, KSTL. Since one of the keys to the maintenance of democratic government is a strong trade union movement, all levels of Australian society should support these developments.

Support for initiatives to achieve women’s equality and eliminate gender based violence, including women’s leadership and participation programs, is a fundamental aspect of good people-to-people relations between our two countries. We should ensure that aid money goes directly towards women’s development. Alleviating energy poverty also benefits development. Access to reliable electricity reduces family reliance on traditional fuel collection and allows for more time for education. This has been identified as an issue in order to achieve Millennium Development Goals. Australia should support infrastructure projects that enable Timor-Leste to meet requirements for an electricity grid based on a mix of sustainable technologies in preference over those based on diesel and heavy oil.

Given the importance of democratic trade union culture in underpinning a national democracy, we urge support for industrial relations stability, reform and implementation in Timor-Leste. The capacity of the KSTL (Konfederasaun Sindikato Timor Leste), the peak organisation, and the existing unions - the General Workers Union, the Teachers Union, the Maritime Transport Energy Union, the Construction Union, the Nurses Union, the Public Service Union and the Agricultural Union – needs to be continually developed. The importance of a strong and united union movement cannot be overstated. The working people of Timor-Leste look to the KSTL to be their voice and to fight on their behalf to ensure their interests are looked after as the economy grows. The recent KSTL 4th Congress promoted themes of “Develop Timor-Leste, Strengthening Sovereignty, Work with Rights”.

There is a political consensus of the Government, Opposition and Parliament to support unionism and workers’ rights in Timor-Leste’s new 2012 Labour Code, based on ILO principles. There is a consensus to increase the minimum wage – in 2012 just US\$115 per month - to contribute to living standards and the local economy. This should be supported by all levels of Australian society.

Defence cooperation and those aspects of regional security that affect Timor-Leste

Timor-Leste has a geo-strategic role for the defence of Australia, and for maritime security because of its location beside deep channels linking the Pacific and Indian Oceans. Its people suffered gravely for their role in supporting Australia against the threat of Japanese invasion during World War II. This kind of experience should be avoided in future by Australia’s regional diplomacy working to stabilise relationships to avoid military conflict between states.

In the 2006 political and civil crisis in Timor-Leste, the Australian troop deployment was never approved by the Timorese Council of Ministers. Neither was it approved by the

National Parliament. Key FRETILIN members at the time were adamant that such an agreement was not constitutionally valid unless it had the approval either of the Council of Ministers or of the National Parliament, preferably both.

It is troubling that these constitutional procedures may have been bypassed so that the Australia-Timor agreement did not have to be presented to the Australian parliament in accordance with our own procedures for international agreements and treaties.

If Australian troops are to serve on the streets of Dili, but not as part of a UN peacekeeping force, they should serve only if their presence is approved by the Timorese Council of Ministers and its National Parliament. The legacy from this deployment must still be resolved to continue to take the Australia - Timor-Leste relationship forward.

Timor-Leste's own defence force cannot defeat a conventional invasion from any of its larger and well-equipped neighbours, but it can be the core of a national resistance against threats that do emerge. The Timorese people have already demonstrated this capacity. Australia's military policy towards Timor-Leste should be to avoid it being a battle ground away from the Australian mainland, but instead to help its military capacity to be a deterrent to any possible threat that may emerge to its independence.

This requires a Timorese military that is close to its population, and plays a constructive role in the vital national development projects that it needs to overcome chronic poverty. Military spending in Timor-Leste should not be a drain on national development, and Australia should not encourage exorbitant high-tech spending.
