

Submission 83

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WESTERN AUSTRALIAMs Julie Bishop MP,
Chairman,
Joint Standing Committee on Treaties
C/- Parliament House,
Canberra, ACT 2600

11 October 2002

Dear Ms Bishop

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BY:.....

PROPOSED TIMOR SEA TREATY

I present this last-minute submission in relation to the Committee's review of the above treaty. I am doing this without the benefit of seeing any terms of reference.

As a military historian I have taken an interest in East Timor for a number of years. I visited it during April 1991, some six months before the 'Dili massacre.' This involved travelling by ground transport from Koepang in West Timor to Dili and then east to Bacau, as well as a side trip into the mountains to Maubisse.

My research (which includes Timor) is for a book on the air war in and around Western Australia during World War II. I have focussed on Timor during the period from 1942-1945 when the whole island was occupied by the Japanese who then used airfields on it to mount air raids on northern Australia, namely Western Australia and the Northern Territory. One of my findings is that Timor, being the last and easternmost island of the Malay Barrier was, and still is, strategically placed in relation to northwestern Australia. I am also mindful of the support the people of the then Portuguese Timor gave to about 300 Australian commandos operating against the Japanese occupiers of that territory until they were finally withdrawn in early 1943. The presence of this small Australian force in Portuguese Timor imbued a threat perception in the minds of the Japanese that Timor was likely to be invaded by the Allies from the Darwin area. Because of this possibility the Japanese held a very significant number of troops and other military resources in Timor instead of them being better employed resisting the Allied advance along the northern coast of New Guinea. This holding situation continued until early 1945 at which point in time the Japanese found it very difficult to relocate these assets using sea transport. The debt owed by Australia to the East Timorese people should not be forgotten.

I am also aware of the interest in the future of Timor by the British Government as far back as 1910 and 1912. The references to this are contained in the Australian Joint Copying Project Handbook, Part 2 (1984), Colonial Office, at pages 25 and 128 (these being duplicate entries for microfilm Reel 4335, Pieces 458, 460 and 461). As I have not been able to examine this material in the State Library of WA for the purpose of this submission, I should point out that the National Library of Australia also holds this microfilmed material which could easily be accessed by one of your Committee's staff.

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During my visit to East Timor I saw many beautiful beaches along the north coast as well as scenic areas in the central mountains. I would expect that tourists will start coming to East Timor because it is only about one and a half hours flight from Darwin. Nevertheless a proper tourist industry will take time to develop. The immediate problem for the people of East Timor is that because they have no real industries except for small surpluses of rural produce and providing some services to the United Nations peace-keeping forces, some ways have to be found that will create employment for them. I can only see this happening if a reasonable amount of foreign capital is brought in. Unless the capital comes from the World Bank or a similar organization, then commercial realities require a reason for investing in East Timor.

Apart from the gradual introduction of tourism there does not appear to be the prospect of any major capital investment in East Timor that would create local employment except for that in respect of the Timor Sea oil and gas fields. I have to agree with the comments of Dr John Imle as reported in *The Financial Review* of 09 October 2002 at page 8 of the importance to Australia of having political stability in East Timor and that this is best done by creating actual employment in the latter as early as possible.

For these reasons I believe that the suggestion to have a gas pipeline run ashore in East Timor rather than in Darwin has considerable merit. In saying this I am mindful that there may be technical engineering problems with constructing and operating such a pipeline from the Timor Sea fields to the coast of East Timor and that these could increase operating costs. I am also aware that there is less infrastructure along the south coast of East Timor, which might impose further difficulties. Finally, because there is a low level of technical skills in the East Timorese population training programs would have to be implemented if they were to be employed on such a project.

My understanding is that the royalties from production from the Timor Sea fields are to be shared 90% to East Timor and 10% to Australia. Whatever the final split is I would suggest that if East Timor was to miss out on having a liquefied natural gas terminal constructed in its territory then for the first say five years 100% of the royalties goes to East Timor to assist in its reconstruction after the sad and destructive events of 1999.

Yours sincerely



LINDSAY J. PEET (Mr)

PS Last night Channel 9 in Perth screened their 'Getaway' program which, fortitously, had two segments on East Timor as an attraction for hardy tourists. Dili was regarded as dry and dusty but Bacau was praised due to its attractive beaches and the apparently refurbished Hotel Flamboyant at which I stayed in 1991. A comparison with Kuta Beach in Bali some 30 years ago was made.

