

**Timor Sea Treaty**  
**(Question No. 3394)**

**Senator Chris Evans** asked the Minister representing the Minister for Industry, Tourism and Resources, upon notice, on 22 June 2007:

- (1) What steps have been taken by the Australian representative on the Joint Commission, which oversees the Timor Sea Designated Authority (TSDA), to ensure that the requirements of Article 11 of the Timor Sea Treaty, in relation to both the employment and training of Timor-Leste nationals by oil and gas companies operating in the Joint Petroleum Development Area (JPDA), is being fully implemented.
- (2) As at 31 December 2006, how many Timorese nationals or permanent residents are employed by Timor Sea oil and gas companies within the JPDA, in compliance with the companies' obligations under the Petroleum Mining Code and production sharing contracts; and (b) what proportion of total employment by Timor Sea oil and gas companies operating in the JPDA does this number represent.
- (3) What specific steps has the TSDA taken to facilitate training opportunities for Timorese nationals or permanent residents.
- (4) How much money has the Australian Government contributed to establish, maintain or recurrently fund training institutions that will enable Timorese nationals or permanent residents to undertake training for employment in the oil and gas industry within the JPDA.
- (5) During the 2005-06 financial year, how many Timorese nationals or permanent residents: (a) commenced a training program to equip them for work in oil or gas installations or projects in the JPDA; (b) completed a training program; and (c) subsequently, were employed in the JPDA by oil and gas companies.

**Senator Minchin**—The Minister for Industry, Tourism and Resources has provided the following answer to the honourable senator's question:

- (1) The Australian Joint Commissioner for the Joint Petroleum Development Area (JPDA) has ensured that the requirements of Article 11 of the Timor Sea Treaty, relating to training and employment of Timor-Leste nationals by oil and gas companies operating in the JPDA has been fully implemented through active participation in the development of the Petroleum Mining Code (the Code) for the JPDA and the model Production Sharing Contract.

The Petroleum Mining Code for the JPDA governs the exploration, development and exploitation of Petroleum within the JPDA, as well as the export of Petroleum from the JPDA. Article 5.4 of the Code, Applicant's Proposals in respect of Training and Employment, and Local Goods and Services, states:

An application for an Authorisation shall include proposals for:

- (a) training, and, with due regard to occupational health and safety requirements, giving preference in employment in the Authorised Activities to nationals and permanent residents of Timor-Leste; and
- (b) the acquisition of goods and services from persons based in Timor-Leste.

The model Production Sharing Contract, in its corresponding Article 5.4, Goods, Services, Training and Employment, states:

The Contractor ..... shall:

- (a) give persons based in Timor-Leste a real opportunity to compete for delivery of goods and services, provided they are offered on competitive terms and conditions;
- (b) with due regard to occupational health and safety requirements, give preference in employment in Petroleum Operations to nationals and permanent residents of Timor-Leste; and
- (c) within thirty (30) days of the end of each calendar year, submit to the Designated Authority a report demonstrating compliance with the above obligations.

- (2) (a) As at February 2007 there are 52 Timor-Leste nationals and permanent residents employed by oil and gas companies in the JPDA.

Additionally, the TSDA employs 31 Timor-Leste nationals and permanent residents, out of a total staff of 43.

- (b) The number of people employed at any one time varies according to the work being undertaken at that particular time.

Approximately 70 people are employed on the Bayu-Undan facilities at any one time, and workers are rotated on shifts. There are 46 Timor-Leste nationals and permanent residents who have off-shore employment in operations and maintenance, catering and accommodation and infield marine services.

There are approximately 30 people employed on the Elang, Kakatua and Kakatua North (EKKN) project of which 6 are from Timor-Leste.

- (3) The Timor Sea Designated Authority (the TSDA) facilitates training opportunities for Timorese nationals or permanent residents in the JPDA through the approvals process for Production Sharing Contracts, ensuring the successful applicant has adequate proposals to meet Article 5.4 of the Petroleum Mining Code and the Production Sharing Contract.

The TSDA receives reports from companies operating in the JPDA at the end of each calendar year to ensure obligations relating to training and employment of Timor-Lests nationals and permanent residents are met.

- (4) The Australian Government has not contributed any funds toward training for employment in the oil and gas industry within the JPDA.

We note that the Timor Sea Treaty provides that Australia and East Timor should facilitate training and employment opportunities in the JPDA, not provide them. The Australian and Timorese Governments view the inclusion of relevant articles in Production Sharing Contracts for the JPDA as an example of facilitation.

- (5) The TSDA is unable to provide exact figures on training and employment in the JPDA. The figures below are for the calendar year 2006, but include both existing employees undergoing training and new trainees. The TSDA notes that it does not consider this information to include all opportunities provided in 2006.

ConocoPhillips, the operator of Bayu-Undan, is commencing another round of new training opportunities in 2007.

- (a) 38 Timor-Leste nationals and permanent residents commenced training in 2006. Of these, 26 were already employed to work on the Bayu-Undan development and undertook further training to continue working now the construction phase is completed.
- (b) Of those 38 who commenced training, 37 completed the course undertaken.
- (c) Of the 37 Timor-Leste nationals and permanent residents who completed a course, 35 were subsequently, or already, employed in the JPDA by oil and gas companies.