

The Parliament of the Commonwealth of Australia

**Report of the
Official Parliamentary
Delegation Visit**

to

**Papua New Guinea and
East Timor**

October – November 2008

December 2008

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Preface

Australia has very close relationships with both Papua New Guinea and East Timor, through geographical proximity, historical and economic ties and strong people-to-people links. In addition, as a key trade partner of both nations and through the provision of extensive development assistance, Australia continues to develop these valuable country-to-country relationships.

This timely delegation visit added to numerous reciprocal visits between Australia and both nations in recent times, particularly since Australia's change in government in late 2007. The March 2008 Port Moresby Declaration, the Australia-PNG Partnership for Development, signed in August 2008, and the 2008 development of a pilot seasonal worker scheme are more recent indicators of the ongoing ties between Papua New Guinea and Australia. Equally, Australia has been in the front-line of support for East Timor since it achieved independence, and continues to play an important role, including through the provision of extensive development and security assistance. Notably in August 2008 Prime Ministers Rudd and Gusmao announced a joint education, training and employment initiative that will review existing cooperation with a focus on the needs of East Timor's public sector.

Close government to government ties have been maintained between Australia and both countries; however the development of these democracies and their legislatures means that parliament to parliament ties are also critical. This Parliamentary Delegation fulfilled the broad objective of promoting and enhancing parliamentary relations. This was achieved through meetings with members of parliament and government in addition to public service and parliamentary officers. Our meeting with the Australia-Timor Leste Parliamentary Friendship Group was one of many opportunities to share experiences. Areas of particular interest included transparency and accountability measures and member-constituent relations. These discussions were both informative and valuable for the continued growth of effective democracy in these nations. The delegation received consistent thanks and requests for ongoing assistance in the development of governance structures and procedures.

The delegation was privileged to meet with the Deputy Speaker of the Parliament of PNG and the President and Vice Presidents of the East Timor Parliament. In addition we appreciated the opportunity to tour the PNG National Parliament and to view a plenary session of the East Timorese National Parliament. During these meetings I was honoured to extend an invitation to both countries' parliaments on behalf of the Australian Parliament. These invitations were warmly received and we look forward to future reciprocal visits.

Our meetings and site visits extended beyond the parliament and government to include the business and non-government sectors. Ensuing discussions aided the

delegation's understanding of the operational contexts and cultures of Papua New Guinea and East Timor.

Throughout the delegation's highly successful meetings, we not only gained national insights, but were able to outline Australia's position on a number of issues. The delegation was particularly interested in the significance of education as a framework basis for wider development. We consistently shared our high regard for a free national education system. The importance of a transparent and independent public sector was also discussed in detail.

Australia also has a strong interest in sustainable development. Meetings with forest industry and oil and gas sector representatives added greatly to the delegation program. Discussions with key government, business and non-government representatives pinpointed important areas in the protection of the environment, resources and the workforce. Site visits to Saban Enterprises sawmill and Cargill oil palm plantation in PNG provided the delegation with insights into the application of national industrial relations policies.

Other aspects of the delegation's work in Papua New Guinea included visits to a number of AusAID-funded projects in the law enforcement, education, health and HIV/AIDs sectors. The Alotau Police Station, Hohola Youth Development Centre, Hagita Secondary School, Alotau Hospital and PNG StopAIDs program each presented the delegation with examples of successful projects, while also indicating areas requiring further development. The unique operating environment observed also informed the delegation of the challenges faced by AusAID and other agencies working in PNG.

In East Timor the delegation was privileged to make a number of high level visits to discuss key issues such as political and economic development and security. The delegation noted the continued advancement made by East Timor since gaining independence. They also observed a high level of optimism that provided a good indication that this positive development will continue into the future.

The United Nations and donor communities expressed similarly positive attitudes toward their work around the country. This is both a testament to their commitment and a clear indicator of effective development outcomes, thereby encouraging further contributions. The delegation would like to draw specific attention to the extensive work being conducted under the auspices of AusAID in East Timor. It is clear that, along with funding for the East Timor Police Development Program, AusAID's involvement in the improvement of education, employment, health, food security, infrastructure and agriculture is warmly received and in the interests of both Australia and the region more broadly.

Additional highlights for the delegation included visits to Australian war history sites in both countries and current Australian Defence and Police contingents in East Timor. The Bomana War Cemetery in Port-Moresby, Battle of Milne Bay Memorial

and Australian War Memorial in Alotau, and Dare War Memorial outside Dili, each reminded the delegation of Australia's significant shared military history with these close and allied neighbours. Having met with commanding officers, troops and police officers currently posted to East Timor the delegation also noted the difficult conditions under which the Australian contingents operate. Their success is a testament to the dedication and training of the men and women of the Australian Defence Forces and the Australian Federal Police.

On behalf of the delegation, I would like to thank the officers in the respective country missions of Papua New Guinea and East Timor. Their effort and cooperation ensured that this was a productive and beneficial delegation. Particular thanks go to Mr Chris Moraitis, Australian High Commissioner to Papua New Guinea and Mr Peter Heyward, Australian Ambassador for Timor Leste. These officers and their colleagues provided extensive support to the delegation.

I also extend my thanks to the members of the delegation: the Deputy Leader Mrs Louise Markus MP, Senator Michaelia Cash and Mr Brett Raguse MP, for their hard work and cooperation in ensuring the success of the visit. In addition I thank the Delegation Secretary, Ms Roberta Molson, for her first class assistance throughout the visit.

A handwritten signature in black ink, appearing to read 'Kelvin Thomson', written in a cursive style.

Mr Kelvin Thomson MP

Member for Wills and

Delegation Leader

Membership of the Delegation

Leader

Mr Kelvin Thomson MP

Member for Wills

Victoria

Australian Labor Party

Deputy Leader

Mrs Louise Markus MP

Member for Greenway

New South Wales

Liberal Party of Australia

Members

Senator Michaelia Cash

Senator for Western Australia

Liberal Party of Australia

Mr Brett Raguse MP

Member for Forde

Queensland

Australian Labor Party

Delegation Secretary

Ms Roberta Molson

Department of the Senate

1 Introduction

1.1 This report details the activities and observations of a delegation from the Parliament of Australia which visited Papua New Guinea and East Timor between 26 October and 5 November 2008. The delegation attended a series of meetings to discuss issues of bilateral, regional and international significance, and inspected sites of social, political and economic importance to both delegation members and the Australian parliament more broadly.

Objectives

1.2 The delegation adopted the following aims and objectives for their visit:

Papua New Guinea

- Renew links with the National Parliament and discuss means by which they can be strengthened;
- Gain an appreciation of contemporary political, economic and social issues;
- Review the bilateral relationship including further growth in trade and investment;
- Gain an insight into AusAID's activities in PNG and visit an AusAID-funded project;

East Timor

- Renew links between the two parliaments and discuss means by which they can be strengthened;
- Gain an appreciation of contemporary political, economic and social issues.
- Review the bilateral relationship;
- Gain an insight into the roles and activities of the Australian-led International Stabilisation Force (ISF) and the UN Integrated Mission to Timor-Leste (UNMIT);
- Gain an appreciation of the Australian Government's activities including its support for East Timor's security sector reform through the Defence Cooperation Program and the Timor-Leste Police Development Program;
- Visit an AusAID funded project.

Acknowledgements

Australia

1.3 Prior to departure, the delegation received oral and written briefings from staff of the Department of Foreign Affairs and Trade (DFAT) and Australian Agency for International Development (AusAID). The assistance provided by the participating officers is acknowledged with thanks.

1.4 Thanks are also recorded to the Parliamentary Relations Office, in particular Ms Fiona Way, for her administrative assistance prior to departure from Australia and to HRG Australia Travel staff in assisting with travel itineraries.

Papua New Guinea

1.5 The delegation records its thanks to the National Parliament and Government of Papua New Guinea for the hospitality and courtesy extended to it during the visit; in particular the delegation thanks:

- The Hon Francis Marus MP, Deputy Speaker of Parliament, PNG Parliament
- The Hon Arthur Somare MP, Minister for Public Enterprise, PNG Parliament
- The Hon Charles Abel MP, Minister for Culture and Tourism, PNG Parliament
- The Hon Belden Namah MP, Minister for Forests, PNG Parliament
- The Hon Benjamin Phillip MP, Member for Menyame, PNG Parliament
- The Hon John Luke MP, Governor of Milne Bay Province, PNG Parliament
- The Hon Gordon Wesley MP, Deputy Governor of Milne Bay Province, Member for Samarai-Murua, PNG Parliament
- The Hon Jack Cameron MP, Parliamentary Secretary for Higher Education, Research, Science and Technology, Member for Kiriwina-Goodenough, PNG Parliament
- Mr Henry Bailasi, Provincial Administrator
- Mr Lalai Vali, Sergeant-at-Arms, PNG Parliament
- Mr Robert Ponenge, Deputy Sergeant-at-Arms, PNG Parliament
- Mr Podi Kohu, First Clerk Assistant, PNG Parliament
- Chief Superintendent Joseph Poma, Provincial Police Commander, Milne Bay Province
- Mr Billy Naidi, Chief Executive Officer, Alotau Hospital
- Dr Wari Iamo, Secretary, Department of Environment and Conservation
- Mr Gunther Joku, Deputy Secretary, Policy, Department of Environment and Conservation

- Mr Kelly Gawi, Deputy Secretary, Environment Division, Department of Environment and Conservation
- Mr Bobby Peruka, Executive Officer to the Secretary, Department of Environment and Conservation
- Mr Kanawi Pouru, Managing Director, PNG Forest Authority
- Ms Goini Loko, First Secretary to the Minister for Tourism and Culture

1.6 The delegation also wishes to thank members of Papua New Guinea's business, finance and non-governmental sectors, including members of the Australia-PNG Business Council, for making time to meet with them. During its stay the delegation was grateful for the alternate perspectives provided by these individuals and more specifically wishes to thank:

- Mr. L. Wilson Kamit CBE, Governor, Bank of Papua New Guinea
- Mr Loi Bakani, Deputy Governor, Policy Section, Bank of Papua New Guinea
- Mr Sali David, Manager, Economics Department, Bank of Papua New Guinea
- Mr Brian Rapson, Senior Coordinator, LNG Project
- Ms Ruth Waram, Manager Public Affairs, OilSearch
- Mr Richard Kassman, Director, Transparency International (PNG), General Manager INSPAC Insurance
- Ms Anne Kijir, Chief Executive Officer, Environmental Law Centre
- Fr John Glynn, Director, Transparency International (PNG), Founder of Youth Against Corruption (YACA)
- Mr Henry Yamo, Communications Officer Transparency International (PNG), Journalist
- Brother Leo Scollen, Hohola Youth Development Centre
- Ms Dominica Abo, National Director, Anglicare StopAIDS PNG
- Mr Robert Lepatu, PNG Christian Community Services Inc., Strongim Pikinini Project
- Reverend Joseph Yans Lepatu & Maria Lepatu, PNG Christian Community Services Inc., Strongim Pikinini Project
- Dianna & Peter Johnston, Board Members of PNG Christian Community Services Inc.
- Mr Axel Wilhelm, Manager, Environment & Corporate Policy, Rimbunan Hijau (PNG) Group
- Mr Ngu Sing Shing, Sawmill Manager, Saban Enterprises Ltd, Rimbunan Hijau (PNG) Group

- Mr Ron Wilson, Secretary, PNG Forest Industry Association
- Mr Mark Kedemwana, Principal, Hagita Secondary School
- Mr Chris Taroupa, Manager, Human Resources, Cargill
- Mr Warren Dipole, Owner/Manager, Ulumani Tree Top Eco-Lodge
- Mr Chris Abel, Principal, Masurina Industries

East Timor

1.7 The delegation records its appreciation to the National Parliament of East Timor, the Government of East Timor and to the members of the Australia-East Timor Parliamentary Friendship Group for their time and consideration. Particular thanks go to:

- H.E. Dr Jose Ramos-Horta, President of East Timor
- H.E. Mr Kay Rala Xanana Gusmao, Prime Minister of East Timor
- Dr Mari Alkatiri, Secretary-General of Fretilin
- H.E. Mr Fernando Lasama De Araujo, President of Parliament, East Timor Parliament
- H.E. Mr Vincente da Silva Guterres, Vice President of Parliament, East Timor Parliament
- H.E. Ms Maria de Jesus da Costa, Vice President of Parliament, East Timor Parliament
- Mr Julio Tomas Pinto, Secretary of State for Defence
- Ms Fernanda Borges, President of Committee A, East Timor Parliament
- Mr Duarte Nunes, President of Committee B, East Timor Parliament
- Mr Manuel Tilman, President of Committee C, East Timor Parliament
- Ms Brigida Correia, President of Committee D, East Timor Parliament
- Mr Osorio Florindo, President of Committee E, East Timor Parliament
- Mr Virgilio Marcal, President of Committee F, East Timor Parliament
- Mr Pedro da Costa, President of Committee G, East Timor Parliament
- Mr Antonio Cardoso, President of Committee H, East Timor Parliament
- Ms Maria Fernanda Lay, President of Committee I, East Timor Parliament
- Mr Gualdino da Silva, President of National Petroleum Authority

1.8 On the final day of their visit the delegation visited Aileu District and met with Sr Martinho Matos, the District Administrator. They were warmly welcomed by the

Lau Usi community members and the delegation thanks the Lau Usi village chiefs and Sr Matos for their gracious hospitality.

1.9 Whilst in Dili the delegation met with officers of a number of United Nations (UN) agencies and thanks the individuals involved for their frank and detailed briefings. More specifically the delegation extends thanks to:

- Mr Atul Khare, Special Representative of the UN Secretary-General for Timor-Leste, UNMIT
- Mr Finn Reske-Nielsen, Deputy SRSG for Governance Support, Development & Humanitarian Coordination, UN Resident and Humanitarian Coordinator, UNDP Resident Representative
- Mr Takahisa Kawakami, Deputy Special Representative of the Secretary-General for Security Sector Support & Rule of Law, UNMIT
- Mr Luiz Vieira, Chief of Mission, International Organisation for Migration (IOM)
- Mr Hubert Price, Chief of Mission Support, UNMIT
- Mr Joao Pereira, Head of UNDP Parliamentary Development Program
- Ms Mari Warne-Smith, Special Assistant to the UN Special Representative of the Secretary-General for Timor-Leste
- Mr Percival Rumbaoa, UN Police Security Liaison, United Nations

1.10 The delegation thanks the members of the International Stabilisation Force (ISF) for welcoming them to the SIF bases in both Dili and Gleno. Discussions held with ISF officers and soldiers were gratefully received by the delegation and in particular they would like to thank:

- Brigadier Mark Holmes, Commander of the ISF, Camp Phoenix, Australian Defence Force
- Colonel Peter Wood, Deputy Commander of the ISF, New Zealand Defence Force
- Major Peter Grant, Officer Commanding Golf Company of Battle Group V, ISF Base Gleno
- Warrant Officer Class 2 Jason Jarvis, Sergeant Major Golf Company, East Timor Battle Group V, ISF Base Gleno
- Warrant Officer Class 1 Craig Howe, Regimental Sergeant Major, Battle Group Tiger
- Lieutenant Colonel Jake Ellwood, Commanding Officer, Battle Group Tiger

1.11 During its visit to Metinaro the delegation visited the East Timorese military's (F-FDTL) Nicolau Lobato Training Centre where they were briefed on Defence Cooperation Program (DCP) activities in education and construction, notably the Specialist Training Wing which is being funded by the Program. The delegation was

thankful to the team of DCP officers and contractors for their briefings and tour of the construction site; in particular:

- LTCOL Steven Ferndale, Commanding Officer, Defence Cooperation Program (DCP)
- MAJ Gavin Cooper, Senior Engineer Advisor DCP and Specialist Training Wing Project Manager
- WO2 Brendan Creer, Engineer Advisor DCP and Specialist Training Wing Works Manager,
- Mr David Hopkins, Specialist Training Wing Project Superintendent, RMS Engineering and Construction

1.12 The delegation acknowledges the time and commitment made by DCP's 1st Battalion Advisory Detachment (1BAD) personnel who accompanied and supported the delegation during their visit to AusAID projects in the Baucau region. Particular thanks to 1BAD Officer Commanding Major Doug Hasson.

1.13 The delegation greatly appreciated the opportunity to meet with members of East Timor's business and non-government sectors; in particular:

- Ms Anne Finch, CEO of Alola Foundation
- Ms Alita Verdial, Advocacy Program Manager, Alola Foundation
- Alfredo Jeronimo Guterres, LAHO Project Manager, LAHO Silk Project and Training Centre, Baucau District
- Mr Norm Bruce, Manager, East Timor Roofing and Training, Baucau
- Mr Joshua Loehrer, Project Officer, Peace Dividend Trust, Baucau
- Ms Claire Parois, Project Officer, Peace Dividend Trust, Baucau
- Mr Chris Adams, AVI Volunteer, Aileu District
- Ms Alice Thomas, Volunteer, Ryder-Cheshire Foundation, Klibur Domin Rehabilitation Centre, Tibar

1.14 Whilst travelling throughout East Timor the delegation was ably supported by the United Nations Police (UNPol) who played a critical role in expediting a successful visit. The delegation extends thanks to the following UNPol CSP Officers: Rui Alberto Divengle (Portugal), Zeljko Stolica (Croatia), Murat Yildirim (Turkey) & Nixon Cayaban (Philippines).

Australian High Commission to PNG and other Government officials

1.15 The delegation greatly appreciated the assistance of the Australian High Commission to PNG and its officers who facilitated a highly successful visit for the delegation. The delegation was well served and provided with detailed and

comprehensive briefings both on arrival in country and throughout the visit. In particular the delegation thanks:

- Mr Chris Moraitis, Australian High Commissioner to Papua New Guinea, Australian High Commission
- Mr John Feakes, Deputy High Commissioner to Papua New Guinea, Australian High Commission
- Mr Bill Costello, Minister-Counsellor AusAID, Australian High Commission
- Federal Agent Steven Hulbert, Counsellor Police Liaison, Australian High Commission
- Mr Peter Harris, A/g Counsellor, Immigration, Australian High Commission
- COL Luke Foster, Head of Australian Defence Staff, Australian High Commission
- Mr John Brand, Senior Trade Commissioner, Australian High Commission
- Mr Gerald Thomson, Counsellor Political-Economic, Australian High Commission
- Mr John Hawley, First Assistant Auditor-General, Strongim Gavman Program
- Mr Colin Johnson, Team Leader / Senior Policy Advisor, Strongim Gavman Program
- Ms Kristina Pawliw, Financial Advisor, Strongim Gavman Program
- Mr Lindsay Kranz, Senior Advisor, Strategic Human Resources, Strongim Gavman Program
- Mr Chris Wall, Deputy Commissioner of Customs, Strongim Gavman Program
- Mr Jason Sambrook, Aviation Security Manager, Strongim Gavman Program
- Ms Mandy Sinclair, Client & Business Process Advisor, Strongim Gavman Program
- Mr Max Willis, First Secretary (Political), Australian High Commission
- Mr Paul Murphy, First Secretary (Economic), Australian High Commission
- Mr Mark Skinner, Second Secretary AusAID, Australian High Commission
- Mr Simon Fellows, Third Secretary, Australian High Commission
- Mr Daryl Hadson, High Commission Security Manager, Australian High Commission
- LTCOL Mark Foxe, Deputy Head of Australian Defence Staff
- Mr Jason Daniels, Manager of Office of Australian War Graves PNG
- Ms Catherina Habon, Program Officer with the PNG Australia HIV and AIDS Program
- Mr Peter Izzard, Deputy Program Director, AusAID HIV/AIDS program

- Mr Willie Koi, Program Officer, AusAID
- Mr Clyde Hamilton, AusAID Sub-National Strategy co-located officer
- Mr Jimmy Morona, AusAID Sub-National Strategy co-located officer

Australian Embassy to East Timor

1.16 The delegation extends thanks to the Australian Embassy to East Timor and its officers for the hospitality and courtesy extended to them during their visit. The delegation was ably served and provided with comprehensive briefings on arrival in country and throughout the visit. In particular the following individuals are acknowledged:

- Mr Peter Heyward, Australian Ambassador to East Timor, Australian Embassy
- Mr Grant Edwards, Commander, International Deployment Group, East Timor
- Ms Suzanne McCourt, Deputy Head of Mission / Counsellor (Political), Australian Embassy
- Ms Robin Scott-Charlton, Counsellor (Development Cooperation), AusAID, Australian Embassy
- CAPT David Michael, Defence Attache Dili, Department of Defence, Australian Embassy
- Mr Michael Hawkins, AFP Senior Liaison Officer, Australian Federal Police, Australian Embassy
- Lieutenant Colonel John Symons, Assistant Defence Attache Dili, Department of Defence, Australian Embassy
- Mr Ben Reeves, First Secretary (DIAC), Australian Embassy
- Ms Elizabeth Day, First Secretary (Political), Australian Embassy
- Ms Shelley Robinson, Second Secretary (Political), Australian Embassy
- Ms Natalie McKelleher, Second Secretary (Development Cooperation), Australian Embassy
- Mr Tim Stapleton, Third Secretary (Political), Australian Embassy
- Mr Rob Urner, Embassy Security Manager, Australian Embassy
- Mr Jose Perreira, Program Officer, Australian Agency for International Development, AusAID, Australian Embassy
- Mr Andrew Podger, former Federal Public Service Commissioner

Papua New Guinea – background information¹

Introduction

1.17 The mainland of Papua New Guinea (PNG), together with its six hundred other islands (463,000 square kilometres), has a population of approximately 6.1 million. Most of the people are Melanesian, but some are Micronesian or Polynesian. There are over seven hundred language groups, reflecting the diverse origins of the people. English, Tok Pisin (Pidgin), and Motu (the lingua franca of the Papuan region) are the official languages.

1.18 The spectrum of Papua New Guinean society ranges from traditional village-based life, dependent on subsistence and small cash-crop agriculture, to modern urban life in the main cities of Port Moresby (capital), Lae, Madang, Wewak, Goroka, Mt Hagen, and Rabaul. Some 85 per cent of the population directly derive their livelihood from farming and 15 per cent live in urban areas. It is estimated that the population is growing at a rate of approximately 2.7 per cent per annum.

Post-War political development

1.19 In 1949, the Papua and New Guinea Act confirmed the administrative union of New Guinea and Papua under the title of ‘The Territory of Papua and New Guinea’ and placed it under the international trusteeship system. The Act provided for a Legislative Council (established in 1951), a judicial organisation, a public service, and a system of local government. The first House of Assembly, which replaced the Legislative Council in 1963, opened on 8 June 1964. In 1972, the name of the territory was changed to Papua New Guinea and elections saw the formation of a ministry headed by Chief Minister Michael Somare, who pledged to lead the country to self-government and then to independence. Independence from Australia was proclaimed in 1975.

Political structure

1.20 PNG is a constitutional monarchy. The Head of State is HM Queen Elizabeth II, represented in PNG by a Governor-General. The Governor-General is elected by Members of the National Parliament and performs mainly ceremonial functions. Sir Paulias Matane was sworn in as PNG’s eighth Governor-General on 29 June 2004.

1.21 PNG has three levels of government: national, provincial and local. The National Parliament is a 109-member unicameral legislature elected for five-year terms. The Prime Minister is appointed and dismissed by the Governor-General on the proposal of Parliament. The Cabinet, known as the National Executive Council, is appointed by the Governor-General on the recommendation of the Prime Minister.

1 The information in this section is based on comprehensive DFAT and AusAID briefings provided for the benefit of this delegation.

See www.dfat.gov.au and www.ausaid.gov.au

1.22 Members of Parliament are elected from 19 provinces and the national capital district of Port Moresby. Parliament is made up of 89 single-member electorates and 20 regional electorates. The regional electorates coincide with PNG's provinces and the National Capital District; members from these electorates also serve as the provincial Governors. Each province is responsible for its own provincial assembly and administration.

1.23 The Supreme Court, National Court, and local and village courts form the independent justice system.

Political overview

1.24 Historically, there has been a high turn-over of parliamentarians at general elections in PNG. In 2002, for example, around 80 per cent of sitting members lost their seats. Up to and including the June 2002 general election, members of parliament were elected on a first-past-the-post basis, and they frequently won with less than 15 per cent of the vote. After the 2002 election a system of limited preferential voting was introduced, under which voters are required to list a first, second and third preference.

1.25 To date, no single party has won enough seats to form a government in its own right; governments have been coalitions. The main parties include the National Alliance (NA), PNG Party, People's Action Party (PAP), People's Democratic Movement (PDM), PANGU Pati, United Resources Party (URP), People's National Congress (PNC), People's Progress Party (PPP), New Generation Party (NG) and the Rural Development Party (RDP).

1.26 The Organic Law on Integrity of Political Parties and Candidates (OLIPPAC) or 'Integrity Law', was enacted by the Morauta Government in 2001, with the aim of strengthening political parties and the executive government in PNG. The OLIPPAC included new regulations on the formation, composition and funding of parties; limitations on how MPs can vote on a motion of no-confidence against the executive; changes to the rules on the formation of government, defections from political parties and offences for breaking the law; and restrictions on independent MPs.

1.27 PNG governments are protected by the *Constitution* from no-confidence motions for the first 18 months of a five-year term. Once the 18-month moratorium expires, a successful no-confidence motion results in an alternative Prime Minister (nominated in the no-confidence motion) being able to form a new government without the need for a national election, unless the no-confidence motion occurs during the last twelve months of a five-year term in which case a national election must be held. With the exception of the recently completed 2002-2007 parliamentary term, changes in government following motions of no-confidence have been a characteristic of PNG politics since independence.

Recent political developments

1.28 At national elections held in June and July 2007, incumbent Prime Minister Sir Michael Somare's National Alliance party won the highest number of seats (27 out of 109). A number of independent MPs subsequently joined National Alliance. At its first sitting, on 13 August, the new Parliament elected Sir Michael as Prime Minister for another term. National Alliance leads a coalition which includes the People's Action Party, United Resources Party, PANGU Pati, People's National Congress, People's Democratic Movement and a number of smaller parties. The Opposition includes former Prime Ministers Sir Mekere Morauta (PNG Party), Sir Julius Chan (People's Progress Party) and former Treasurer Bart Philemon (New Generation Party).

Economic overview

1.29 PNG has a dual economy comprising a formal, corporate-based sector and a large informal sector where subsistence farming accounts for the bulk of economic activity. The formal sector provides a narrow employment base, consisting of workers engaged in mineral production, a relatively small manufacturing sector, public sector employees and service industries including finance, construction, transportation and utilities. The bulk of the population is engaged in the informal sector. Migration to major city centres in the past decade has contributed to urban unemployment and social problems. PNG's social indicators, in general, are well below those of lower middle income countries (particularly in rural areas).

1.30 PNG has recently enjoyed a strong economic performance. After several years of contraction, the PNG economy grew at an average rate of 4.1% from 2004-7. Debt has fallen from 72% of GDP in 2002 to around 34% in 2007. After remaining low for four years, inflation rose to 10.7% in the year to June 2008 because of higher international fuel and food prices.

1.31 The PNG Government has projected a budget surplus of Kina 202.3 million, or 1.1 per cent of GDP, for 2008. The surplus will be used to reduce external borrowings and PNG's total public outstanding debt is forecast to reduce to 31.8 per cent of its GDP by the end of 2008.

Trade

1.32 Australia is by far PNG's largest source of imports and is also its number one export market. In 2006, Australia purchased 30.1 per cent of PNG's merchandise exports, ahead of PNG's second and third largest export partners, Japan and China, on 8.1 per cent and 5.7 per cent respectively. Australia provided 52.3 per cent of PNG's merchandise imports in diverse categories including industrial and agribusiness products, food and beverages and household wares.

1.33 In 2007 Australia imported \$2.5 billion worth of goods from PNG. Australia's merchandise exports to PNG totalled \$1.6 billion. Two way merchandise trade is

valued at around A\$4.1 billion annually, making PNG Australia's 20th largest trading partner.

East Timor – background information²

Introduction

1.34 East Timor's population, of a little over 1 million, is one of the fastest growing in the world at around 4 per cent per annum. The official languages are Tetum and Portuguese, while English and Indonesian are working languages. Approximately 95 per cent of East Timorese are Catholic.

1.35 Australia and East Timor have a very close relationship, based on proximity and close people-to-people links. Australia has been in the front-line of support for East Timor's transition to independence, and continues to play a very important role, including through the provision of extensive development and security assistance.

Political structure

1.36 East Timor has a unicameral system of Parliament, a Prime Minister with executive power and a President as head of state. Legislative power is vested in both the government and the national parliament. The judiciary is independent of the executive and the legislature. The *Timorese Constitution* was modelled on that of Portugal.

1.37 The head of state of the East Timorese republic is the President, who is elected by popular vote for a five-year term and whose role is largely symbolic, though able to veto some legislation.

1.38 The Timorese National Parliament has 65 members, elected in June 2007 for a five-year term. Members of Parliament are elected by a single constituency, through plurinominal lists. The conversion of votes into seats follows a proportional system in accordance with the D'Hondt method; a highest averages method that slightly favors large parties and coalitions over smaller parties.

Political overview

1.39 The Democratic Republic of Timor-Leste (East Timor) achieved formal independence on 20 May 2002. East Timor's independence resulted from the August 1999 UN-sponsored national referendum in East Timor, in which 78.5 per cent of the population voted in favour of independence. The United Nations Transitional Administration in East Timor (UNTAET) was established after the widespread violence

2 The information in this section is based on comprehensive DFAT and AusAID briefings provided for the benefit of this delegation.

See www.dfat.gov.au and www.ausaid.gov.au

and destruction that followed the popular vote for independence, and governed East Timor until 2002.

1.40 The first democratic legislative elections were held on 30 August 2001. Over 91 per cent of East Timor's eligible voters elected a Constituent Assembly. In March 2002, the Constituent Assembly then passed East Timor's *Constitution*.

2007 Presidential and Parliamentary Elections

1.41 Dr Jose Ramos-Horta replaced Xanana Gusmão as President on 20 May 2007, following his success in presidential elections.

1.42 As a result of the 30 June 2007 parliamentary elections, former President Xanana Gusmão was appointed as Prime Minister and sworn in with his new cabinet on 8 August 2007. Prime Minister Gusmão leads a coalition government called the Alliance of the Parliamentary Majority (AMP), comprising CNRT, ASDT, PSD, PD and UNDERTIM (a total of 39 seats in Parliament). Fernando d'Araujo ("Lasama") of the Democratic Party is President of the Parliament. Fretilin won more seats than other parties in last year's general election but was unable to form a coalition with a parliamentary majority.

Summary of the 30 June 2007 East Timorese parliamentary election results

Parties	Votes	%	Seats
Revolutionary Front for an Independent East Timor (<i>Frente Revolucionária do Timor-Leste Independente, Fretilin</i>) – Francisco Lu Olo Guterres (President), Mari Alkatiri (General-Secretary)	120,592	29.02	21
National Congress for Timorese Reconstruction (<i>Congresso Nacional da Reconstrução Timorense, CNRT</i>) – Dionisio Babo Soares (Secretary-General)	100,175	24.10	18
PSD–ASDT Social Democratic Party (<i>Partido Social Democrata, PSD</i>) – Mario Viegas Carrascalao (President)	65,358	15.73	11
Timorese Social Democratic Association (<i>Associação Social-Democrata de Timor, ASDT</i>) – Xavier do Amaral (President)			
Democratic Party (<i>Partido Democrático, PD</i>) – Fernando 'Lasama' de Araujo (President)	46,946	11.30	8

National Unity Party (<i>Partido Unidade Nacional, PUN</i>) – Fernanda Borges (President)	18,896	4.55	3
Democratic Alliance (<i>Aliança Democrática</i>) Association of Timorese Heroes (<i>Klibur Oan Timor Asuwain, KOTA</i>) – Manuel Tilman (Secretary General)	13,294	3.20	2
People’s Party of Timor (<i>Partido do Povo de Timor, PPT</i>) – Dr Jacob Xavier (President)			
National Unity of Timorese Resistance (<i>União Nacional Democrática de Resistência Timorese, UNDERTIM</i>) – Cornelio Gama ‘L7’ (President)	13,247	3.19	2
Timorese Nationalist Party (<i>Partido Nasionalista Timorese, PNT</i>) – Dr Abilio Araujo (President)	10,057	2.42	0
Democratic Republic of Timor-Leste Party (<i>Partido Democratika Republica de Timor</i>)	7,718	1.86	0
Republican Party (<i>Partidu Republikanu</i>) – Joao Mariano Saldanha (President)	4,408	1.06	0
Christian Democratic Party (<i>Partido Democrata Cristão</i>) – Antonio Ximenes (President)	4,300	1.03	0
Socialist Party of Timor (<i>Partido Socialista de Timor</i>) – Nelson Correia (President)	3,982	0.96	0
Timorese Democratic Union (<i>União Democrática Timorese</i>) – Joao Viegas Carrascalao (President)	3,753	0.90	0
Millennium Democratic Party (<i>Partido Milénio Democrático</i>) – Ermenegildo ‘Kupa’ Lopes (President)	2,878	0.69	0
Total (turnout 80.5%)	415,604	100.00	65

The role of the United Nations

1.43 UNTAET’s mandate expired with East Timor’s independence on 20 May 2002. The UN Mission of Support in East Timor (UNMISET) was then established to provide assistance to the new East Timorese Government in the areas of public administration, law and order and external security. The UN Security Council agreed in November 2004 to extend UNMISET’s mandate until 20 May 2005.

1.44 The United Nations Office in Timor-Leste (UNOTIL) succeeded UNMISSET on 20 May 2005. UNOTIL was a special political mission established to carry out peace-building activities and to support the capacity development of critical state institutions including the National Police (PNTL) in order to strengthen democratic governance and to help build peace in East Timor. Following the unrest in April/May 2006, UNOTIL's mandate was extended until 20 August 2006.

1.45 UNOTIL was replaced by the current UN Integrated Mission to Timor-Leste (UNMIT), which has focussed on policing functions and police training, political and community reconciliation, assistance for the elections and humanitarian relief services. On 25 February 2008, the UN Security Council unanimously adopted resolution 1802 which extends UNMIT's mandate until 26 February 2009. Australia is contributing to UNMIT, especially through the provision of police personnel.

1.46 Australia leads the International Stabilisation Force (ISF) that was asked by the East Timorese leadership to help restore stability following the unrest experienced in April/May 2006. The ISF operates independently from, but in support of, UNMIT.

1.47 East Timor became the 191st United Nations member state on 27 September 2002. East Timor is also member of the World Bank, International Monetary Fund (IMF) and the Non-Aligned Movement (NAM). It has expressed interest in membership of ASEAN and is a member of the ASEAN Regional Forum.

Economic overview

1.48 East Timor is one of the poorest countries in the Asia-Pacific region. It was ranked 150 out of 177 countries in the 2007 UN Human Development Report, and fares poorly on key indicators such as life expectancy, literacy and GDP per capita.

1.49 While it has made significant progress in building an institutional framework to support economic development and promote macroeconomic stability, East Timor's economic performance since independence has been fragile. Growth contracted following the reduced international presence after 2002, before increasing in 2004 (0.3 per cent) and 2005 (2.3 per cent). The economy contracted sharply again in 2006 (-3.4 per cent) following the violence of that year. With UNMIT's establishment and the return of a significant number of international personnel, East Timor's economic growth rate increased sharply in 2007 (19.8 per cent). A spike in CPI inflation saw it exceed 7 per cent in 2007.

1.50 The nation continues to face a range of long-term development challenges that will impact on the achievement of broad-based economic growth including labour force incapacity, weak public governance and inadequate infrastructure. Political instability has undermined Government efforts to promote private sector investment as a basis for long-term development. East Timor ranked 168 of 178 in the World Bank's 2008 *Doing Business* report. East Timor's economic challenges are compounded by profound infrastructure deficits, notably in the areas of transportation, telecommunications and electricity.

1.51 East Timor's National Development Plan identifies governance, poverty reduction and improved food security as development priorities. Objectives include reaching an annual GDP growth rate of 5 per cent in the medium term and the 50 per cent reduction of the number of people living below the poverty line by 2015. Other development priorities include strengthening the judiciary and other institutions; creating an enabling environment for civil society and business; reducing unemployment and providing skills training and education. Continued reform of the power sector and improvement of infrastructure will also be important.

1.52 Despite these challenges, East Timor is set to benefit from the commercial exploitation of its petroleum reserves. The Government of East Timor is seeking to use its oil revenues in support of long-term economic development, economic diversification and poverty reduction. East Timor has established an internationally-acclaimed Petroleum Fund to manage its petroleum revenues transparently and sustainably.

Trade

1.53 In 2007, East Timor ranked as Australia's 88th largest goods trading partner, with total merchandise trade valued at \$39 million. Australian exports to East Timor were valued at \$37 million with major items including refined petroleum and motor vehicles. Imports were valued at \$2 million, with coffee the major import. In July 2003, Australia extended preferential duty free access and quota-free access to the Australian market for goods of East Timorese origin.

1.54 East Timor has a steadily improving trade balance, reflecting the contribution of petroleum development. Excluding hydrocarbons, coffee accounts for around 90 per cent of merchandise exports, and this could increase as world coffee prices rebound.

Agriculture

1.55 Agriculture dominates the East Timorese economy, accounting for over 30 per cent of GDP and approximately 70 per cent of employment. Insufficient food production (from an average landholding of 1.2 hectares) and an underdeveloped local market have led to a dependency on imports. Transforming subsistence farming, which dominates the agriculture sector, into an export-oriented industry, is a challenge. Key crops such as coffee and vanilla, and potentially candlenut and palm oil, will be targeted for increased capital investment.

Finance and banking

1.56 The US dollar was adopted as the official currency in January 2000. Timorese coins in denominations of 1, 5, 10, 25 and 50 centavos were introduced in November 2003 to enable small denomination transactions and partially assist with monetisation of the economy.

2 Delegation visit to Papua New Guinea

2.1 This chapter records meetings and site visits conducted by the parliamentary delegation in Papua New Guinea, 26-31 October 2008. The objectives of the delegation were achieved through discussions with representatives from various sectors and through visits to a range of institutions and agencies. Key policy areas discussed are also detailed throughout this chapter. The visit was conducted against the following objectives:

- Renew links with the National Parliament and discuss means by which they can be strengthened;
- Gain an appreciation of contemporary political, economic and social issues;
- Review the bilateral relationship including further growth in trade and investment;
- Gain insight into AusAID's activities in PNG and visit an AusAID-funded project.

Strengthening ties between Australian and PNG Parliaments

Meetings with Government

2.2 The delegation was grateful for the opportunity to meet a number of PNG's Ministers during their visit. Throughout a lunch meeting hosted by the Deputy Speaker of Parliament the Hon Francis Marus MP, delegation members appreciated the frank and informative discussions that ensued with those present.

2.3 A subsequent meeting with the Minister of Tourism and Culture Mr Charles Abel MP provided the delegation with an opportunity to gain insight into PNG's growing tourism industry. The positive outlook expressed by the Minister was bolstered by the imminent introduction of a new airline into the country's transport industry; Virgin Blue commenced flying to PNG soon after the delegation's visit. The increased focus on ecotourism was also seen to have encouraging effects on PNG's tourist industry. The Minister did express areas of concern to PNG tourism including personal security issues, particularly in PNG's cities.

2.4 The delegation was due to meet with the Minister of Environment and Conservation, but unforeseen circumstances prevented his attendance. His apologies were presented to the delegation through his department Secretary Dr Wari Iamo who chaired the meeting. The delegation appreciated the opportunity to speak with the Minister's officers and gain insight into the work of the department.

2.5 The delegation was interested to hear from Dr Iamo about structural developments within the Government, where a discrete 'Climate Change' office under the Prime Minister had been established. The broader portfolio of Environment and Conservation has continued under the auspices of the corresponding department. The relevance of the Reducing Emissions of Deforestation in Developing Countries (REDD) proposal, the Kyoto protocol and the impact of illegal logging were also key topics of discussion.

2.6 The delegation was also privileged to meet with the Minister for Public Enterprise the Hon Arthur Somare. Mr Somare provided the delegation with valuable insights into recent decisions by the PNG Cabinet regarding the bilaterally significant LNG project. Discussions also developed around government initiatives to attract greater investment in PNG. Mr Somare expressed his gratitude for Australian assistance in skills training and praised the work of Australian High Commission officers on their reliable and sound advice.



The Delegation with the Hon Belden Namah MP, PNG Minister for Forests at the National Forest Authority

2.7 A detailed meeting with the PNG Minister for Forests the Hon Belden Namah MP was of particular interest to delegation members. The delegation appreciated the insights provided on the sustainability of resources and protection of biodiversity; the significance of land-ownership in PNG's forest industry; government policy on logging permits and their subsequent enforcement; the export market of PNG timber; and the environmental effects of deforestation including the growing awareness of forests as 'carbon sinks'.

2.8 Throughout the extensive dialogue the strength of the bilateral relationship between Papua New Guinea and Australia allowed for differences of opinion to be expressed openly and constructively. The delegation greatly appreciated the Minister’s willingness to invite discussion amongst delegation members and departmental officers, and was pleased for the opportunity to share their views on Australia’s approach to forestry issues.

2.9 During the meeting Minister Namah also commented positively to the delegation on his educational experiences in Australia’s Royal Military College.

Parliament-to-Parliament ties

2.10 The delegation’s meeting with the Deputy Speaker of the National Parliament of PNG the Hon Francis Marus MP was a good opportunity for all to share personal and professional experiences as members of parliament. The Deputy Speaker expressed satisfaction in his role and in his opportunities to meet with the people of PNG and international guests, such as the members of the Australian delegation. The meeting also presented an opportunity to compare parliamentary procedures between Australia and PNG with particular focus on Question Time.

2.11 During the delegation’s visit to PNG’s Milne Bay Province we met with the Governor the Hon John Luke MP. The ensuing discussions and visit to provincial offices enabled the delegation to appreciate the unique and complex cultural and socioeconomic circumstances within which PNG governance operates.

2.12 A tour of the National Parliament building, guided by the Deputy Sergeant-at-Arms Mr Robert Ponenge, allowed the delegation to reflect on the significance of the unicameral structure of PNG’s Parliament and gain an understanding of PNG’s electoral and legislative systems.

2.13 When meeting with other members of parliament and parliamentary officers, the delegation was consistently informed of the significance of one-to-one parliamentary ties with Australia. PNG officers expressed their gratitude for valuable professional connections established directly with Australian Senate and House of Representatives officers, facilitating the ongoing development of PNG’s developing legislature.

Strongim Gavman Program

2.14 Previously known as the Enhanced Cooperation Program (ECP), the now Strongim Gavman Program (SGP), Pidgin for “strengthening” or “empowering government”, continues to play an important bilateral role in PNG’s development. The delegation was pleased to meet with senior SGP deployees, who are Australian public servants working in advisory and line positions within PNG government agencies in the areas of economic and public sector reform, border management and transport safety and security, and law and justice. Currently the SGP involves around 40 Australian officials focused on providing strategic and policy advice and on

building capacity in the PNG public service, including through mentoring to improve the knowledge and skills of PNG staff.

2.15 A function with SGP officers hosted by the Australian High Commissioner and a subsequent meeting held on the final day of the delegation's visit provided highly beneficial insight into key constraints within the PNG political, economic and cultural environment. In addition the delegation was pleased to hear of critical developments in the implementation of SGP and successful outcomes being achieved through the program.

Contemporary political, economic and social issues

2.16 A function with members of the Australia-PNG Business Council and meeting with the Governor of the Bank of Papua New Guinea (PNG's central bank) and his colleagues provided the delegation with insight into PNG's economic, financial and business sectors. The Governor reflected on the significant relationship between the Bank of PNG and the Reserve Bank of Australia. It was also noted that 50% of PNG banking was Australia-based. This augmented the delegation's understanding of other issues discussed throughout their visit and emphasised the magnitude of Australia's role in the PNG economy.

Education

2.17 Through a number of discussions held with the delegation, education was seen to impact development in a multitude of areas. The delegation noted the absence of free, national education in PNG, though we recognise some of the constraints that PNG's unique landscape and limited infrastructure placed on the installation and delivery of such a system. Financial constraints and, critically, the capacity of the public service were discussed as limiting factors in the establishment and maintenance of educational institutions and systems for PNG's population.

PNG forests

2.18 A roundtable discussion with representatives of Transparency International, the Centre for Environmental Law and Community Rights, and the Environmental Law Centre augmented our understanding of the PNG forest industry and the contemporary issues it faces.

2.19 Similarly, visits to Saban Enterprises sawmill and Cargill oil palm plantation provided delegation members with insight into the on-the-ground implementation of forestry projects and the establishment of oil palm as an industry competing for tightly-held land resources.

2.20 Throughout numerous meetings referencing the PNG forest industry members of the delegation expressed concern for the protection and sustainability

of PNG forests. The significance of biodiversity in the replacement of forests with plantations, such as oil palm, was also discussed in depth.

Oil and gas

2.21 The delegation's meeting with Oilsearch representatives provided valuable information regarding the growth of the PNG LNG project, established in April 2007. The significance of the project to PNG's economy and industry was discussed, whilst delegation members were particularly interested in the employment of PNG nationals as a potential benefit of the project.

Security

2.22 Law and order is a legitimate and ongoing concern in PNG and was consistently discussed with the delegation as a constraint faced in a number of sectors. Discussions often involved positive comment regarding the temporary improvements experienced during the deployment of Australian Federal Police (AFP) officers under the former ECP. The subsequent withdrawal of these AFP personnel followed a PNG Supreme Court ruling on 13 May 2005 that immunities for ECP personnel were in conflict with the PNG *Constitution*.

Joyce Bay Settlement

2.23 The delegation was greatly appreciative of the opportunity to visit the Port Moresby settlement area of Joyce Bay. Following a warm welcome and open forum discussion with community members, we were privileged to meet with individual community members and tour the settlement area, providing insight into the varied economic and social experiences of the PNG's people.



The Delegation with Joyce Bay settlement community members

Development cooperation

Overview of Australia's aid program in PNG

2.24 Comprehensive briefings on the activities of AusAID in PNG were provided to the delegation by Australian Government officers based in Port Moresby and those recently posted to Alotau, as part of the recently established Sub-National Strategy's Co-location approach. In addition the delegation visited a number of AusAID projects. This provided them with first-hand experience of the range of AusAID work conducted in the ongoing development of PNG.

2.25 Australia's development assistance to PNG in 2007-08 totalled \$355.9m. In 2008-09, this is expected to increase to \$389.4 million. Australia is the largest aid donor to PNG, providing 70 per cent of total development assistance. This extensive development assistance is currently delivered through the PNG-Australia Development Cooperation Strategy 2006-2010. The objectives of strategy are: improved governance and nation building; sustainable broad-based economic growth; improved service delivery and stability; and combating HIV/AIDS.

AusAID activity

2.26 The delegation's visit to the AusAID-funded Anglicare StopAIDs project provided insight into the magnitude of the HIV/AIDS problem in PNG. The project involves care and counselling centres as well as education and awareness programs, not only in HIV but also in adult literacy. The Voluntary Counselling Testing (VCT) service, since its inception in May 2004, has provided services to more than 2000 clients.

2.27 The StopAIDs PNG adult literacy program has continued to develop since its commencement in 2005. With PNG's high illiteracy levels, the delegation was able to see the importance of education projects such as this. We met with young people involved in the program, who had never had the opportunity for formal education, and have since returned to school whilst attending the literacy program.

2.28 During the visit, a drama group involved in the StopAIDs program presented an educational skit to the delegation. Members of the delegation observed a practical example of Papua New Guineans applying development assistance in the improvement of the lives of both individuals and the wider community through education.

2.29 Site visits to the AusAID-funded Hohola Youth Development Centre in Port Moresby and Hagita Secondary School in Alotau provided the delegation with insights into the importance of AusAID contributions in the education sector. A total of 1,719 primary schools have been supported by AusAID through maintenance grants. New classrooms and other school infrastructure have been provided in 22 schools as part of a wider program directed at 220 priority schools across 13 provinces.

2.30 During the education project visits we were able to speak directly with students who had been positively affected by the development of their respective education institutions. Delegation members were encouraged by the enthusiasm displayed by the students and teachers in each school. These experiences thereby reinforced the critical significance of accessible educational opportunities for PNG's population.

2.31 While visiting the Alotau General Hospital, we were impressed by the hard work, dedication and resourcefulness of staff involved in running the facility. The AusAID funding for the upgrade of hospital facilities provided a critical service for the provincial area, enabling the treatment of approximately 4000 inpatients and the handling of over 1000 childbirths annually. Hospital developments have also meant that the majority of cases are now dealt with without the need for referral and transfer.

2.32 The provision of AusAID funds for the building of a new Alotau Police Station and Community Hall, also visited by the delegation, assisted in the development of the local law and justice sector and provided a valuable venue for education and community awareness events. We appreciated the increased understanding of PNG policing afforded us through a briefing by the Provincial Police Commander and a subsequent tour of Police Station facilities.

2.33 Throughout our delegation's visits to AusAID-funded projects in PNG, discussions regularly touched on the procedures for funding application and the need for adequate maintenance of projects once established. Delegation members expressed concern about ensuring projects were sustainable in order to preserve the positive impact of project work.

NGOs and the volunteer sector

2.34 We were warmly welcomed at the Strongim Pikinini Project; a local orphanage established by the PNG Christian Community Services Incorporated (CCS). Through the site visit and discussions with volunteer parents, teachers and children involved in the program, the delegation gained valuable insight into the important work of NGOs and the volunteer sector in the ongoing development of PNG.

2.35 Operating since November 2006, the Strongim Pikinini Project is a pilot project working with disadvantaged or AIDS-affected children in the Port Moresby area. It was established to provide housing, support and education for the children. It is registered with a Distance Learning Education Program based in Brisbane where it receives elementary and primary education from local educational supervisors. The organization is supported by small donors, both locally and internationally. The delegation was pleased to hear of future plans for PNG CCS, including the development of community based instructional programs focusing on skills for safe, healthy, enhanced living standards.

Australia-PNG military history

2.36 Australia's military history with PNG is extensive, represented not only by the nearly 6000 Australians expected to visit the historic Kokoka in 2008. We were reminded of this long standing relationship through visits to Bomana War Cemetery in Port Moresby and Battle of Milne Bay Memorial in Alotau. Deputy Delegation Leader Mrs Markus' also paid a visit to the official Australian War Memorial in Alotau.



The Delegation at the Battle of Milne Bay Memorial in Alotau

2.37 The Bomana War Cemetery presented a powerful backdrop for subsequent meetings; clearly illustrating the extent of Australia and PNG's shared military history. Established in 1942 the cemetery contains 3,347 Australian burials, more than any other war cemetery in the world.

2.38 The delegation paid tribute to those buried or commemorated in the Bomana War Cemetery. Throughout our tour of the site, we appreciated the obvious dedication of the Manager of Office of Australian War Graves, Mr Jason Daniels, who presented stories of individuals honoured for their contributions to Australia's defence. The main campaigns in which the Australians, buried at Bomana, lost their lives were Kokoda, the Battle of Milne Bay, the Battle of the Beachheads (Buna, Gona & Sanananda) and campaigns on Bougainville.

2.39 We were also privileged to visit a memorial specifically to those involved in the Battle of Milne Bay whilst visiting Alotau. This further emphasised the widespread impact of war on PNG and the historical significance of the nation in the minds of Australian veterans and the wider Australian population.

People-to-people ties and bilateral relations

2.40 Geographic proximity and historical links have established strong ties between PNG and Australia. More than 30 years after PNG's independence Australia's relationship with the country is one of its most complex and wide-ranging. Australia has a clear interest in PNG's sustainable development and stability. The presence of approximately 8,000 Australians in PNG is also of significant interest to Australia's Government and business sectors and its general population, through people-to-people links. Through her prior experience with the country and people PNG, Deputy Delegation Leader Mrs Louise Markus presented an illustration of the notable personal associations between Australia and PNG.

2.41 A recent example of bilateral agreements established between Australia and PNG is the March 2008 Port Moresby Declaration. It encapsulates a new approach to Australia's relations with PNG and the Pacific, centred on Pacific Development Partnerships. The Australia-PNG Partnership for Development will support better access to markets and services, progress towards universal basic education, improved health outcomes, a more efficient and effective public service, and sound development statistics for use in policy and program formulation. We appreciated opportunities throughout our visit to discuss the potential of this and other bilateral agreements between Australia and PNG.

2.42 Our wide-ranging and in-depth appointments in PNG's capital city and Milne Bay province expanded our appreciation of this extensive and robust bilateral relationship.

3 Delegation visit to East Timor

3.1 This chapter outlines the meetings and site visits made throughout East Timor by the parliamentary delegation, 1-5 November 2008. The objectives of the delegation were met through discussions with representatives from various sectors and through visits to a range of institutions and agencies. Key policy areas discussed are also detailed throughout this chapter. The visit was conducted against the following objectives:

- Renewing links between the two parliaments and discussing means by which they can be strengthened;
- Gaining an appreciation of contemporary political, economic and social issues;
- Reviewing the bilateral relationship;
- Gaining an insight into the roles and activities of the Australian-led International Stabilisation Force (ISF) and the UN Integrated Mission to Timor-Leste (UNMIT);
- Gain an appreciation of the Australian Government's activities including its support for East Timor's security sector reform through the Defence Cooperation Program and the East Timor Police Development Program;
- Visiting AusAID funded projects.

Strengthening ties between Australian and East Timorese Parliaments

Meetings with the Timorese leadership

3.2 We were privileged to meet with key decisions makers in the East Timor Parliament and Government including: President Jose Ramos-Horta, Prime Minister Kay Rala Xanana Gusmão, Fretilin Secretary-General Dr Mari Alkatiri and Secretary of State for Defence Julio Tomas Pinto. Each thanked Australia for its contribution to enhancing stability and fostering economic development in East Timor. They also spoke of the significance of maintaining strong bilateral relations with Australia.

3.3 Discussions were wide-ranging, providing the delegation with a deep appreciation of the broad spectrum of national issues concerning East Timor. Increased understanding of the depth of Australia's engagement in this nation was also achieved. The delegation noted, in discussions with senior Timorese leadership, that a high level of optimism and vision for East Timor's future was evident amongst dialogue had at all levels.



Senator Michaelia Cash, Brett Raguse MP, H.E. Mr Kay Rala Xanana Gusmao, Prime Minister of East Timor and Delegation Leader, Mr Kelvin Thomson MP

3.4 During our visit to Dili’s Santa Cruz Cemetery on All Souls Day, we briefly met with President Ramos-Horta as he was completing his own visit to the nationally significant location. The delegation made note of the significance of his direct involvement with the Timorese community in this way. During the delegation’s official meeting with the President the following day, discussions ensued regarding the importance of the Santa Cruz cemetery and historical events that occurred there. This provided us with further insight into the impact that East Timor’s turbulent history continues to have on the nation’s people and leadership.

3.5 The significance of stable governance and respect for the rule of law were also discussed with Timorese leaders, as critical constructs in the wider development of East Timor. In line with the optimism noted by the delegation, both the President and Prime Minister expressed positive messages being portrayed by the East Timorese population with respect to the structures and roles of governance.

3.6 In areas of security and defence, Australia was consistently acknowledged and thanked for our ongoing commitment to assisting East Timor. Australia was described as a critical partner in consolidating stability.

11 February 2008 Attacks

3.7 On 11 February 2008, President Ramos-Horta was shot and severely wounded in an attack led by rebel Alfredo Reinado. A short time later a convoy including Prime Minister Gusmão was fired upon. The Prime Minister was uninjured. Responding to the attacks, the East Timorese Government declared a “state of siege”, the conditions of which included a curfew and restrictions on public gatherings. President Ramos-Horta returned to East Timor on 17 April 2008, after receiving medical treatment in Australia. The “state of siege” ended on 8 May 2008.

3.8 Following these events, the Australian Government, at the request of the East Timorese Government, deployed an additional 200 additional soldiers and 70 police under the International Stabilisation Force. These supplementary forces have now been withdrawn. Throughout the delegation’s visit a number of individuals expressed their gratitude for Australian assistance during this period.

Parliament-to-Parliament ties

3.9 In conjunction with high level government meetings our visit to East Timor provided a valuable opportunity to strengthen links between the Australian and East Timorese Parliaments.

3.10 A working lunch with the President of Parliament Fernando “Lasama” de Araujo and the Vice Presidents, Secretary and Vice Secretaries of the Parliament facilitated open and frank discussion comparing and contrasting governance structures and recognising the importance of continual growth for all democracies.



The Delegation with: H.E. Mr Fernando Lasama De Araujo, President of East Timor Parliament; H.E. Mr Vincente da Silva Guterres, Vice President of East Timor Parliament; and H.E. Ms Maria de Jesus da Costa, Vice President of East Timor Parliament

3.11 On behalf of the Australian Parliament, the Delegation Leader Mr Kelvin Thomson presented President Lasama with an invitation for an East Timorese Parliamentary delegation to reciprocally visit Australia. President Lasama indicated that the East Timorese Parliament intended to accept the invitation.

3.12 A function with members of the recently formed Australia-East Timor Parliamentary Friendship Group allowed both Australian and Timorese members of parliament to share personal and professional experiences in their roles as representatives of their respective constituents. This also provided a beneficial forum for the investigation of opportunities to further strengthen ties between the two parliaments.

3.13 The delegation was pleased for the opportunity to observe a session of East Timor's National Parliament. Delegates noted the high level of chamber attendance by members during the debate of legislation. The observed plenary session displayed the passion and commitment of the individual members as well as the clear support for and involvement in the nation's legislative structures and procedures.

3.14 In a separate session with the delegation, the heads of East Timor's nine Parliamentary Committees outlined their work. Committee Presidents cited the challenge of developing an effective secretariat to support their committees' work. This particular limitation was discussed in light of current changes being considered for the Timorese Parliament Standing Orders.

3.15 Committee Presidents were also interested in gaining greater understanding of how the Australian Parliament functions and how individual senators and members manage their various commitments. The delegation members were pleased to provide insight into their roles with particular focus on the Australian Parliament's quorum requirements and committee system. These discussions were held with a view to further developing East Timor's Parliamentary processes.

3.16 Fernanda Borges, President of Committee A on Constitutional Affairs, Justice, Public Administration, Local Government and Government Administration, proposed that a Memorandum of Understanding be signed between the Australian and East Timorese Parliaments to deepen ties between the two Parliaments, with the prospect of developing a mechanism through which Australian Parliamentarians could support their East Timorese counterparts. Delegation members expressed their support of initiatives allowing the direct support of both East Timorese Parliamentarians and parliamentary officers.³

3 Following this meeting AusAID began discussions with the UNDP regarding the potential for improving the support it provides to the Parliament's secretariat. In addition the Australian Embassy will continue to monitor the relevance and possibility of inviting serving Australian Parliamentarians to lead short workshops and seminars for East Timor's Parliament.

National Petroleum Authority

3.17 A meeting with key officers from East Timor’s National Petroleum Authority was a valuable opportunity for us to gain further insight into why East Timor’s economy is one of the most heavily petroleum-dependent in the world. As at 30 June 2008 East Timor’s Petroleum fund had accumulated savings of around US\$3.2 billion. Discussion with the delegation was focused on the organization of petroleum supplies in the both international market and within East Timor, and the significance of skill shortages in the management of national petroleum resources.

United Nations Development Project

3.18 The delegation was provided with an extensive briefing on the United Nations Development Project’s (UNDP) Parliamentary Project, aimed at strengthening the capacity-building of the East Timorese parliament. Australia, through AusAID, has committed US\$ 2.5 million to the project to be implemented between 2006 and 2008.

3.19 The delegation was particularly interested to hear of the achievements and constraints facing the UNDP project with many of the issues mirroring those expressed during discussions with members of the East Timorese parliament and other stakeholders involved in the development of governance.

United Nations Mission in Timor-Leste (UNMIT)

3.20 A series of high level calls on the Timorese and United Nations Mission in Timor-Leste (UNMIT) leadership provided us with an opportunity to further our awareness of contemporary political, economic and social issues facing the nation.



Delegation Leader, Mr Kelvin Thomson MP and Delegation members Senator Michaelia Cash and Brett Raguse MP with Mr Atul Khare, Special Representative of the UN Secretary-General for Timor-Leste, UNMIT

3.21 A meeting with Special Representative to the UN Secretary-General, Mr Atul Khare and his colleagues afforded the delegation a chance to investigate UNMIT's widespread support of East Timor's development since independence. The regular and timely changes to the UN's involvement in East Timor provide a useful indication of the changing needs of a growing nation.

3.22 Mr Khare informed the delegation that security sector reform, establishing greater respect for the rule of law, and progressing socioeconomic development in specific areas were among the key challenges facing East Timor. Mr Khare also spoke positively of the cooperation between both Australia and UNMIT, and Australia and East Timor.

International Stabilisation Force (ISF) operations

3.23 Australia has been in the front-line of support for Timor-Leste's transition to independence. Australia's leadership of the International Stabilisation Force (ISF) is one key indicator of this commitment. Following the unrest of April/May 2006, the ISF was deployed to Timor-Leste at the request of the East Timorese leadership to assist the East Timorese government and the United Nations to bring stability, security and confidence to the Timorese people to allow them to resolve their differences peacefully. The ISF mission continues to this day, with the full support of the East Timorese Government and United Nations.

3.24 The delegation's visit to the ISF base at Camp Phoenix and the Forward Operating Base (FOB) at Gleno were beneficial in providing insight to their ongoing mission to maintain stability in Timor-Leste.



The Delegation at ISF Camp Phoenix with (left to right): Warrant Officer Class 1 Craig Howe; Lieutenant Colonel Jake Ellwood; Mr Peter Heyward, Australian Ambassador to East Timor; Brigadier Mark Holmes, Commander ISF; Colonel Peter Wood, Deputy Commander ISF

3.25 During the visits to both bases, delegation members liaised directly with ADF personnel, predominantly troops from the Australian Army, about their professional and personal experiences whilst deployed on operations in Timor-Leste. The delegation was grateful for this opportunity to receive individual impressions of the Timor-Leste.

3.26 The ISF's role was found to be diverse, with their predominant role in stability and security being augmented by assistance in construction and education projects. Travelling through Dili and surrounding areas, the delegation saw other ISF establishments, including the heliport (H-POD), and witnessed ISF personnel conducting local area foot patrols. The delegation recognises the commitment and obvious dedication of the ADF personnel from all three services, both regular and reserve, and Defence civilians who are providing security and peace of mind to the people of Timor-Leste.

ISF Camp Phoenix, Dili

3.27 A site tour of the ISF's Camp Phoenix in Dili and comprehensive overview of ISF operations from Commander Brigadier Mark Holmes added to our admiration of the hard work and challenging conditions faced by ADF personnel. Brigadier Holmes noted the significance of maintaining an effective relationship with the Timor-Leste Defence Force; a key element of success that was reflected in all ADF activities.

Gleno FOB

3.28 We also visited the ISF FOB at Gleno to gain further insight into the roles, activities and circumstances of Australian troops based in Timor-Leste. We met with key defence personnel at Gleno base including: Golf Company Officer Commanding Major Peter Grant, Second in Command Captain Gabriel Van Der Walt and Company Sergeant Major Warrant Officer Class Two Jason Jarvis.

2.29 FOB Gleno and nearby FOB Maliana are currently manned by 108 Golf Company personnel from seven of the Australian Army's Corps: Artillery, Ordnance, Signals, Catering, Transport, Electrical and Mechanical Engineers and Medical Corps.

3.30 In addition to establishing itself within its Tactical Area Of Responsibility (TAOR), the company has a targeted approach to assisting the community through engagement with local UNPol and PNTL, community leaders and NGOs. Golf Company has conducted construction projects in the TAOR and has an ongoing education program at the local high school teaching English to teachers.

Security sector reform

3.31 Australia is committed to assisting East Timor in the reform of its security sector and development of its security institutions, through the Defence Cooperation Program (DCP), East Timor Police Development Program (TLPDP), and involvement

in the United Nations Mission in East Timor (UNMIT). The Australian Government, through AusAID is providing funding to UNMIT's Security Sector Reform project.

Defence Cooperation Program

3.32 During a visit to East Timor's Nicolau Lobato military training centre at Metinaro the delegation was briefed on Australian Defence Cooperation Program (DCP) activities in the area including: the English Language Program and construction of a new A\$5.7 million Specialist Training Wing.

3.33 The DCP has been operating since early 2001. It is an Australian regional engagement initiative assisting the development of the Timor-Leste Defence Force through military training, advice and support. The DCP is conducted independently of the ADF military commitment to the UN's mission in Timor-Leste (Operation TOWER) and the International Stabilisation Force (ISF, Operation ASTUTE).

3.34 The delegation's visit to Metinaro provided further insight into both the diverse role of the ADF in Timor-Leste and the significance of education as a framework for national development. The impressive Specialist Training Wing facility, which is nearing completion, was testament to the broad range of ADF commitments and also provided an example of Australian business operations in Timor-Leste.

3.35 We were impressed by East Timorese Defence Force members who have successfully been involved in the English Language Program since its conception. Their commitment to the program demonstrates the future potential for successful and ongoing development of the East Timorese military as a whole.

AFP engagement

3.36 Through discussions with Grant Edwards, Commander of the Australian Federal Police's (AFP) International Deployment in East Timor, we gained insight into the extensive role of the AFP in East Timor. The AFP has 50 members deployed to UNMIT and by the end of 2009 will have 80 personnel involved in the Timor-Leste Police Development Program (TLPDP), and one AFP member attached to the Australian Embassy.

3.37 Mr Edwards' briefing on the TLPDP detailed the AFP's commitment to assisting in the development of a more effective police service for the people of East Timor. The TLPDP began in July 2004 with support from Australia and Great Britain. The program was implemented jointly by the Australian Federal Police and a contracted firm managed by AusAID. TLPDP is now fully managed by the Australian Federal Police with funding directly from AusAID.

3.38 The second stage of TLPDP aims to improve both policing skills and the general education of police and build solid foundations for the development of a more effective *Policia Nacional de Timor-Leste* (PNTL) through the deployment of up to 80 specialist personnel engaged in capacity development in the country.



The Delegation with Mr Grant Edwards, AFP Commander and other Australian AFP and East Timorese Police officers involved in the TLPDP

3.39 Following the meeting with Mr Edwards we toured the PNTL academy where we met Timorese officers preparing to attend training courses in Australia. This provided insight into the significance of the program for individual officers and as a broader basis for stability in this young and developing democracy. The PNTL officers who had been involved with the TLPDP and achieved considerable success in their training outcomes were congratulated on their achievements by the members of the delegation.

Development cooperation

Overview of Australia's aid program in East Timor

3.40 As the largest bilateral donor, AusAID plays a significant role in the development of East Timor as a nation. Their assistance is far reaching and covers a wide range of areas including stability, democracy, the machinery of governance, health, and food security. In addition to being provided a comprehensive brief on the roles and achievements of AusAID in East Timor, we visited a number of AusAID-funded projects. This provided us with firsthand insight into the diversity of AusAID's role in assisting East Timor's development.

3.41 Through meetings with key AusAID personnel based in East Timor we gained insight into its focus on building the systems and institutions of the state for effective, stable, democratic government; promoting economic growth and improving basic services for the East Timorese people.

3.42 Most of AusAID's programs in East Timor are implemented in partnership with other donors and international organisations and with non-governmental organisations (NGOs). Key collaborators include the UN agencies, the multilateral development banks (World Bank, Asian Development Bank, International Finance Corporation) and the International Labor Organisation.

Other AusAID Activity

3.43 To augment briefings on AusAID activity, we visited several AusAID funded projects in the Baucau region including a silk worm farm, a roofing factory and Peace Dividend Trust offices. Briefings and site tours conducted at each of these projects emphasised the significant breadth of application of Australian funds in East Timor. The clear focus on capacity-building and the development of local ownership and autonomy were notable effects of these successful AusAID initiatives.

3.44 Unemployment is a significant problem in East Timor. According to World Bank and Asian Development Bank figures 59 per cent of youth aged 15-29 in Dili and Baucau are unemployed. We conducted a brief visit to a youth and the unemployed work scheme established under the Youth Employment Promotion Program. This program is facilitated by the International Labour Organisation (ILO) with funding from AusAID and the East Timorese Government. The visit allowed us to better appreciate the scope of the unemployment problem in East Timor.

3.45 A Water Supply and Sanitation Program project visited in the village of Lau Usi, Aileu extended our understanding of the wider community impact of AusAID-funded projects. Jointly funded with Plan International, the project is one of a number of East Timor Rural Water Supply and Sanitation Programs (RWSSP) aimed at improving the health and living standards of women, men and children in the country's rural communities. We were very warmly received by the village community and delegation members were privileged to sign a commemorative plaque celebrating the installation of the villages direct water source.

3.46 A visit to Klibur Domin rehabilitation centre in Tibar provided us with an example of AusAID funding being effectively distributed through collaborative means, for the delivery of health services to the East Timorese people in rural areas. Klibur Domin was founded and is primarily funded by Ryder Cheshire Australia, however AusAID has played an important role in its ongoing capacity to reach the community and tackle serious health issues such as the spread of Tuberculosis.

Internally Displaced Persons

3.47 Although there has been progress since East Timor achieved independence from Indonesia in 2002, socio-economic instability continues to threaten the new government. The violence of 2006 created an estimated 100,000 internally displaced persons (IDPs) and this has been one of the enduring effects of the 2006 crisis. The Government of East Timor however continues to make improvements under its repatriation scheme. As at late September 2008 23 camps had been closed and 7,000 IDP families resettled.

3.48 A tour of the IDP camp at Motael Church in Dili enabled us to appreciate the significant plight of the East Timorese IDPs. Delegation members were also able to assess the Timorese Government's and donors' response to the ongoing crisis. We were grateful for the briefing and discussions led by International Organisation for Migration (IOM) Chief of Mission Luis Vieira and the camp's Timorese coordinator.

NGOs and the Alola Foundation

3.49 We gained a wider appreciation of the programs of several Australian and local NGOs during a roundtable hosted the Alola Foundation and a function with individuals from Australian Youth Ambassadors for Development (AYAD), Volunteering for International Development Australia (VIDA), Australian Volunteers International (AVI) and Australian Business Volunteers (ABV). These opportunities to further understand the importance of individual contributions to the humanitarian situation in East Timor were highly beneficial to the delegation and afforded us the opportunity to engage with the broaden spectrum of the Australian community present in East Timor.

3.50 We were pleased to hear the experiences of representatives of the Comunidade Edmund Rice, a ministry of the Edmund Rice Network and Christian Brothers, established in East Timor in 1999; and the Marist Brothers of Melbourne who have worked in East Timor since 1999 toward the establishment of a successful teacher's college, Catholic Teachers College, Baucau (ICFP), training teachers for all thirteen districts around East Timor.

Australia-East Timor military history

3.51 The Australian people, both military and civil, have had a much longer presence and lasting effect in East Timor than that just achieved in recent operations. The delegation was reminded of this long standing relationship with a visit to the Dare Memorial on the outskirts of Dili. This private memorial recognises the local assistance provided to Australian soldiers of the 2/2nd and 2/4th Independent Companies during World War II. The long history of Australian involvement and face to face contact with the Timorese is well documented and commemorated, including a recent and

much needed refurbishment of the private memorial thanks to the generosity of Australia's Department of Veterans Affairs.

People-to-people links

3.52 Australia and East Timor have a special affinity. Australia has been in the front-line of support for East Timor's transition to independence, and continues to play a very important role. Australian federal, state and territory governments and parliaments are active in East Timor and several have Memorandums of Understanding with the East Timor Government. Australian local councils, through friendship groups, also provide support and assistance, particularly to provincial and district governments.

3.53 During the delegation's visit to Aileu province we were fortunate to meet with the District Administrator, Sr. Martinho Matos. This meeting provided a reminder of the direct ties between the Aileu province and the Moreland and Hume City Councils in Australia through the Friends of Aileu partnership, established in 2000. This was of particular significance to the Delegation Leader, Kelvin Thomson, as the member for Wills, Victoria.

3.54 Overall our extensive and wide-ranging appointments in Dili and East Timor's districts enabled us to broaden our understanding of this strong and growing bilateral relationship.

Media coverage

3.55 There was positive coverage of the delegation's visit to East Timor throughout our time in the country. The President of Parliament Lasama was quoted in local newspapers *Diario* and *Suara Timor Lorosae* as stating that the delegation visited East Timor in order to meet Timorese MPs and further improve cooperation, especially in the education sector. He praised Australian educational facilities; noted the number of Timorese leaders that have graduated from Australian educational institutions; thanked Australian forces for their presence in East Timor; and said Australia had been a strong supporter of East Timor's independence.

Appendix A

Delegation Program

Papua New Guinea

Sunday, 26 October 2008

- 1340 Delegation arrives Port Moresby
- 1500 Security briefing by Mr Daryl Hadson, *High Commission Security Manager*
- 1550 Visit Bomana War Cemetery
Met by LTCOL Mark Foxe, *Deputy Head of Australian Defence Staff*
Tour of war graves, escorted by Mr Jason Daniels, *Manager, Australian Office of War Graves*
- 1630 Depart Bomana War Cemetery
- 1650 Arrive Crowne Plaza Hotel

Monday, 27 October 2008

- 0810 Depart for Australian High Commission
- 0830 Arrive Australian High Commission
Introductory briefing by:
Mr Chris Moraitis, *High Commissioner*
Mr John Feakes, *Deputy High Commissioner*
Mr Bill Costello, *Minister-Counsellor, AusAID*
Mr John Brand, *Senior Trade Commissioner*
COL Luke Foster, *Head of Australian Defence Staff, PNG*
Federal Agent Steven Hulbert, *Counsellor Police Liaison*
Mr Peter Harris, *A/g Counsellor, Immigration*
- 0955 Depart Australian High Commission for Parliament House
- 1000 Arrive Parliament House
Tour of Parliament House with Mr Robert Ponenge, *Deputy Sergeant-at-Arms*
- 1030 Courtesy call on the Hon Francis Marus MP, *Deputy Speaker of Parliament* and Mr Podi Kohu, *First Clerk Assistant, Parliament House*
- 1055 Depart Parliament House for Anglicare StopAIDS

1100 Visit to Anglicare StopAIDS (AusAID-funded HIV and AIDS program)
Met by:
Ms Dominica Abo, *National Director, Anglicare StopAIDS PNG*
Mr Peter Izzard, *Deputy Program Director, AusAID*

1215 Depart Anglicare StopAIDS for Parliament House

1225 Arrive Parliament House

1230 Lunch hosted by the Hon Francis Marus MP, *Deputy Speaker of Parliament*
With:
The Hon Charles Abel MP, *Minister for Culture and Tourism*
The Hon John Luke MP, *Governor of Milne Bay Province*
The Hon Benjamin Philip MP

1345 Meeting with:
The Hon Charles Abel MP, *Minister for Culture and Tourism*

1425 Depart for Somare Foundation House

1430 Meeting with:
Heads of PNG Department for Environment and Conservation

1500 Depart for OilSearch office

1510 Arrive OilSearch Office
Meeting with:
Ms Ruth Waram, *Manager Public Affairs, OilSearch*
Mr Brian Rapson, *Senior Coordinator - LNG Project*
Briefing on PNG Liquefied Natural Gas Project

1600 Depart for Independent Public Business Corporation (IPBC) offices

1605 Arrive IPBC office
Meeting with:
The Hon Arthur Somare MP, *Minister for Public Enterprise*

1630 Depart for Crowne Plaza Hotel

1635 Arrive Crowne Plaza Hotel

1825 Depart for High Commissioner's Residence

1830 Arrive High Commissioner's Residence
Welcome reception for delegation
Also in attendance:
Members of the 2008 'Leading Australia's Future in the Asia-Pacific' (LAFIA) delegation
Members of *Strongim Gavman Program* Core Group

Tuesday, 28 October 2008

- 0930 Depart for Gerehu
- 0945 Arrive Strongim Pikinini Project, PNG Christian Community Services
- 1030 Depart for meeting with PNG Forest Authority
- 1045 Arrive National Forest Authority
Meeting with:
The Hon Belden Namah MP *Minister for Forests*
Mr Kanawi Poursu, *Managing Director, PNG Forest Authority*
- 1150 Depart for Jepello Restaurant
- 1200 Arrive Jepello Restaurant, Waigani
Lunch meeting with:
Mr. L. Wilson Kamit CBE, *Governor, Bank of Papua New Guinea*
Mr Loi Bakani, *Deputy Governor, Policy*
Mr Sali David, *Manager, Economics Department*
- 1400 Depart for Hohola Youth Development Centre
- 1430 Visit to Hohola Youth Development Centre (AusAID-funded education project)
Met by:
Brother Leo Scollen, *Principal*
Mr Mark Skinner, *Second Secretary, AusAID*
Mr Willie Koi, *Program Officer, AusAID*
- 1520 Depart for Australian High Commission
- 1530 Arrive Australian High Commission
Round table with representatives of Transparency International, Centre for Environmental Law and Community Rights, and Environmental Law Centre
- 1700 Depart for Crowne Plaza
- 1830 Dinner with Representatives of the Australia-PNG Business Council

Wednesday, 29 October 2008

- 0700 Depart Port Moresby for Alotau
- 0750 Arrive Alotau
- 0900 Breakfast introductory briefing and program overview by:
Mr Clyde Hamilton, *AusAID Sub-National Strategy co-located officer*
Mr Jimmy Morona, *AusAID Sub-National Strategy co-located officer*
- 0950 Depart for Provincial Government Offices

1000 Meeting with:
The Hon John Luke MP, *Governor of Milne Bay Province*
The Hon Jack Cameron MP
The Hon Gordon Wesley MP
Mr Henry Bailasi, *Provincial Administrator*

1045 Walk to Alotau Market

1115 Visit to Masurina Ltd Timber Mill
With:
Mr Chris Abel, *Principal*, Masurina Ltd
The Hon John Luke MP, *Governor of Milne Bay Province*

1125 Travel to Alotau wharf

1130 Arrive Alotau Wharf
Tour of local fishing business with the Hon John Luke MP, *Governor of Milne Bay Province*
Travel across bay to Wagawaga

1150 Arrive Wagawaga
Visit to Ulumani Tree Top Lodge (eco-tourism resort)
Tour of facilities

1230 Lunch at Ulumani Tree Top Lodge restaurant

1400 Depart Wagawaga for Alotau Town

1420 Arrive Alotau town, return to hotels

1455 Depart for Alotau Hospital

1500 Arrive Alotau Hospital
Meeting with Mr Billy Naidi, *CEO*
Inspect hospital facilities and staff accommodation (AusAID Incentive Fund Project)

1545 Depart Hospital for short visit to Battle of Milne Bay Memorial (foreshore)
Free time

1845 Depart for Driftwood Restaurant

1900 Dinner with:
The Hon John Luke, *Governor of Milne Bay Province*
The Hon Mr Gordon Wesley MP, *Deputy Governor of Milne Bay Province*
The Hon Jack Cameron MP, *Member of National Parliament of PNG*
Mr Henry Bailasi, *Provincial Administrator*

Mr Chris Abel, *Principal*, Masurina Ltd

Thursday, 30 October 2008

- 0815 Depart for Saban Enterprises logging concession
Accompanied by:
Mr Axel Wilhelm, *Manager, Environment and Corporate Policy, Rimbunan Hijau Group*
- 0915 Arrive Saban Enterprises
Meeting with:
Mr Axel Wilhelm, *Manager, Environment and Corporate Policy, Rimbunan Hijau Group*
Mr Ron Wilson, *Secretary, PNG Forest Industries Association*
Mr Ngu Sing Shing, *Manager, Saban Enterprises Limited*
Briefing on the Timber Legality and Traceability Verification Scheme (TLTV)
Tour of sawmill and auxiliary facilities
- 1030 Depart Saban Enterprises for Cargill oil palm plantation
- 1100 Arrive Cargill oil palm plantation and processing mill
Meeting with Mr Chris Taroupa, *Manager, Human Resources, Cargill*
- 1145 Depart Cargill plantation for Alotau town
- 1215 Return to hotels
- 1340 Depart for Alotau Police Station
- 1345 Briefing by, Chief Supt Joseph Poma, *Milne Bay Provincial Police Commander*
Tour of Alotau Police Station facilities (AusAID Law and Justice Sector Program project)
- 1415 Depart for Hagita Secondary School
- 1430 Arrive Hagita Secondary School
Meeting with Mr Mark Kedemwana, *Principal*
Inspect facilities provided by AusAID Incentive Fund
- 1510 Short visit to official Australian War Memorial
- 1520 Arrive Alotau airport
- 1645 Depart Alotau for Port Moresby
- 1745 Arrive Port Moresby

Friday, 31 October 2008

- 0725 Depart for High Commissioner's Residence

- 0730 Breakfast and visit debriefing hosted by the High Commissioner with:
Mr John Feakes, *Deputy High Commissioner*
Mr Gerald Thomson, *Counsellor, Political/Economic*
Mr Max Willis, *First Secretary, Australian High Commission*
- 0830 Return to hotel
- 0945 Depart for Australian High Commission
- 1000 Arrive Australian High Commission
Meeting with *Strongim Gavman Program* sector leaders
- 1105 Depart High Commission for Joyce Bay settlement area
Met by:
Community members & representatives
Welcome and presentation by community members and tour of settlement
- 1150 Depart for Airways Hotel
- 1200 Lunch at Airways Hotel Restaurant
- 1325 Depart for Port Moresby Airport
- 1430 Depart Port Moresby for Brisbane

East Timor

Saturday, 1 November 2008

- 815 Arrive Dili
- 830 Depart for Hotel Timor
- 845 Arrive at Hotel Timor (Small conference room).
Welcome, security and general briefings by the Ambassador, agency heads (AFP, DIAC, Defence, DFAT, AusAID) and Andrew Podger (Eminent Public Sector Manager) over breakfast
- 1000 Windscreen tour of Dili and suburbs
- 1130 Courtesy call on Commander of the ISF, Brigadier Mark Holmes
Tour of Camp Phoenix and lunch with the troops
- 1300 Depart Camp Phoenix for Hotel Timor
- 1315 Free time
- 1415 Depart Hotel Timor for Timor Leste Police Development Program (TLPDP) office
- 1430 Briefing on TLPDP activities from TLPDP coordinator Grant Edwards, tour of PNTL academy

- Afternoon tea at TLPDP Lecidere office
- 1600 Depart Lecidere for Motael IDP camp
- 1615 Tour of Motael internally displaced persons (IDP) camp with International Organisation for Migration (IOM) Chief of Mission Luiz Vieira
- 1700 Depart IDP camp and return to hotel
- 1735 Depart Hotel Timor for Hotel Esplanada
- 1745 Function with Australian volunteers

Sunday, 2 November 2008

- 730 Depart hotel and meet at Harbour View Café; transfer to boat
- 800 Depart Dili for Atauro
- 915 Arrive Atauro and transfer by small boat to Eco-Lodge
- 945 One hour return walk to headland for view (200m elevation)
- 1200 Lunch at Eco-Lodge
- 1500 Depart Atauro
- 1630 Arrive Dili and return to hotel
- 1745 Depart hotel for Santa Cruz cemetery
- 1800 Tour of Santa Cruz cemetery, observe All Souls Day celebrations
- 1830 Depart Santa Cruz for Oceanview
- 1845 Function with Australian businesspeople

Monday, 3 November 2008

- 715 Depart hotel for heliport
- 730 Helicopter brief
- 740 Depart by helicopter for Metinaro
- 750 Arrive Metinaro landing zone, met by Defence Cooperation Program (DCP) director LTCOL Steve Ferndale
Transport by DCP vehicles to F-FDTL Nicolau Lobato Training Centre
- 800 DCP briefing and tour of Specialist Training Wing and English Learning Development Program
- 830 Depart training centre for Metinaro landing zone
- 840 Depart Metinaro for Baucau
- 910 Arrive Baucau airport landing zone, met by OC 1BAD, Maj. Doug Hasson
- 915 Safety brief and division into cars
- 925 Depart for local NGO LAHO's silk worm farm
- 930 Tour of Silk Worm farm

- 1000 Depart for roofing factory
- 1015 Tour of Timor Roofing
- 1045 Depart for Peace Dividend Trust Offices
- 1145 Arrive back at airport landing zone
- 1150 Depart Baucau by helicopter
- 1220 Arrive Dili airport and depart for Hotel Timor
- 1230 Lunch hosted by President of Parliament Fernando 'Lasama' de Araujo
- 1415 Depart Parliament for Alola Foundation
- 1430 Roundtable with local NGOs, chaired by Alola Foundation CEO Anne Finch
- 1545 Depart Alola for Palacio do Governo
- 1600 Briefing by National Petroleum Authority President Gualdino da Silva.
- 1645 Depart NPA for Ramos-Horta's house
- 1700 Call on President Jose Ramos-Horta
- 1745 Return to Hotel Timor
- 1815 Depart Hotel Timor for Ambassador's Residence
- 1830 Function with members of the Australia-Timor Leste Parliamentary Friendship Group

Monday, 3 November 2008 - Mrs Markus' Programme

- Until 1545 As per main delegation schedule
- 1545 Depart Alola Foundation, accompanied by WO Chuck Connors and DCP Major Bonney
Viewing of Australian veteran's housing, other points of interest
Visit to Dare war memorial
- 1700 Return to Dili and Hotel Timor
- 1815 Remainder of day as per main delegation schedule

Tuesday, 4 November 2008

- 700 Mrs Markus departs hotel for Dili Airport (departs Dili 9.00)
- 845 Depart Hotel Timor for Parliament
- 915 Briefing on the Parliament's operations by UNDP Parliamentary Development Program head Joao Perreira and advisers
- 1015 Attend Plenary session
- 1045 Depart for President of Parliament Lasama's Office on foot
- 1050 Meeting with President of Parliament Lasama, Vice President of Parliament Vicente Guterres and Secretary of State for Defence Pinto

- 1150 Depart for Dr Alkatiri's residence
- 1200 Courtesy call on Fretilin Secretary-General Dr Alkatiri
- 1230 Depart Farol for Australian Residential Compound
- 1245 Melbourne Cup viewing and lunch with Embassy staff
- 1345 Depart Australian Residential Compound for Parliament
- 1400 Meet Prime Minister Kay Rala Xanana Gusmao
- 1445 Meet Presidents of Parliamentary Committees
- 1600 Depart Parliament for Obrigado Barracks
- 1615 Call on United Nations Special Representative of the Secretary General, Mr Atul Khare
- 1700 Depart Obrigado Barracks for Hotel
- 1715 Briefing on AusAID's program
- 1915 Depart hotel for Nelayan Seafood Restaurant
- 1930 Dinner with AusAID advisers and keynote speech by Commission for Truth and Reconciliation adviser, Pat Walsh

Wednesday 5 November, 2008

- 740 Depart Hotel Timor for Dare
- 800 Visit Dare memorial
- 815 Depart Dare for Aileu
- 930 Courtesy call on Aileu District Administrator, with AVI volunteer Chris Adams
- 1000 Depart Aileu for Lau Usi
- 1015 Tour Water Supply and Sanitation Program project with Plan International Grants Manager, Penny Jones
- 1115 Depart Lau Isi for Gleno
- 1230 Tour of ISF base in Gleno and lunch with Australian troops
- 1315 Depart Gleno for Tibar
- 1415 Visit to Tibar rehabilitation centre (Klibur Domin)
- 1515 Depart for airport
- 1645 Depart Dili

Appendix B

Country fact sheets



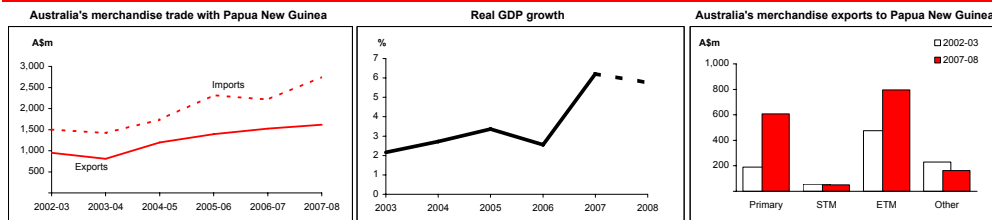
PAPUA NEW GUINEA *Fact Sheet*

General information:

Fact sheets are updated biannually; May and September

Capital:	Port Moresby	Head of State:	HM Queen Elizabeth II, represented by
Surface area:	463 thousand sq km		Governor-General HE Grand Chief, Sir Paulias Matane
Official languages:	Pidgin, English	Head of Government:	Prime Minister The Rt Hon Grand Chief Sir Michael Somare
Population:	6.1 million (2007)		
Exchange rate:	A\$1 = 2.5376 Kina (Jul 2008)		

<i>Recent economic indicators:</i>	2003	2004	2005	2006	2007(a)	2008(b)
GDP (US\$bn) (current prices):	3.5	3.9	4.9	5.6	6.0	6.4
GDP PPP (US\$bn) (c):	9.3	9.8	10.4	11.0	12.0	12.9
GDP per capita (US\$):	641	695	851	943	991	1,027
GDP per capita PPP (US\$) (c):	1,682	1,731	1,791	1,852	1,974	2,085
Real GDP growth (% change YOY):	2.2	2.7	3.4	2.6	6.2	5.8
Current account balance (US\$m):	159	88	207	163	259	209
Current account balance (% GDP):	4.5	2.2	4.2	2.9	4.3	3.3
Goods & services exports (% GDP):	68.6	69.7	72.5	78.8	na	na
Inflation (% change YOY):	8.4	2.4	4.7	-0.9	3.2	5.5



Australia's trade relationship with Papua New Guinea (d):

Australian merchandise trade with Papua New Guinea, 2007-08:	Total share:	Rank:	Growth (yoy):	
Exports to Papua New Guinea (A\$m):	1,616	0.9%	20th	6.1%
Imports from Papua New Guinea (A\$m):	2,747	1.4%	16th	24.0%
Total trade (exports + imports) (A\$m):	4,364	1.1%	19th	16.7%

Major Australian exports, 2007-08* (A\$m):		Major Australian imports, 2007-08 (A\$m):	
Crude petroleum	393	Crude petroleum	1,450
Civil engineering equipment & parts	60	Gold	1,213
Specialised machinery & parts	52	Coffee & substitutes	28
Refined petroleum	48	Refined petroleum	10

*Includes A\$163m of confidential items and special transactions, 10% of total exports.

Australia's trade in services with Papua New Guinea, 2007:	Total share:	
Exports of services to Papua New Guinea (A\$m):	437	0.9%
Imports of services from Papua New Guinea (A\$m):	261	0.6%

Major Australian service exports, 2007 (A\$m):		Major Australian service imports, 2007 (A\$m):	
Government services	98	Personal travel excl education	68
Transportation	66	Business-related travel	67

Papua New Guinea's global merchandise trade relationships:

Papua New Guinea's principal export destinations, 2007:			Papua New Guinea's principal import sources, 2007:		
1	Australia	25.9%	1	Australia	50.9%
2	Japan	9.5%	2	Singapore	11.3%
3	China	5.8%	3	China	7.7%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.



EAST TIMOR

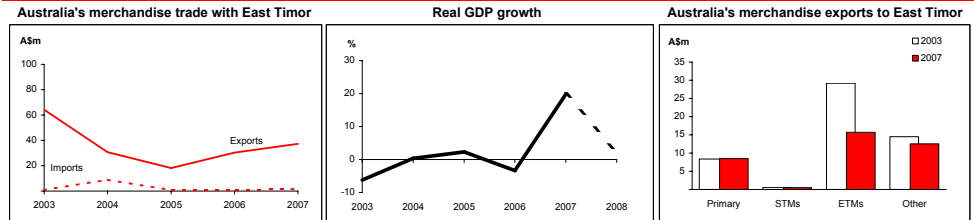
Fact Sheet

General information:

Fact sheets are updated biannually; May and September

Capital:	Dili	Head of State:	
Surface area:	14,874 sq km	Head of Government:	Prime Minister Mr Kay Rala Xanana Gusmao
Official languages:	Portuguese, Tetum		
Population:	1.0 million (2007)		
Exchange rate:	A\$1 = US\$0.9131 (Feb 2008)		

Recent economic indicators:	2003	2004	2005	2006	2007(a)	2008(b)
GDP (US\$m) (current prices):	336	339	350	353	459	489
GDP PPP (US\$m) (c):	1,932	2,017	2,127	2,120	2,608	2,726
GDP per capita (US\$):	363	354	354	348	440	460
GDP per capita PPP (US\$) (c):	2,090	2,108	2,155	2,089	2,506	2,560
Real GDP growth (% change YOY):	-6.2	0.3	2.3	-3.4	19.8	2.5
Current account balance (US\$m):	-72	50	213	679	1,161	1,128
Current account balance (% GDP):	-21.4	14.8	61.0	192.2	253.3	230.5
Goods exports (% GDP):	2.4	2.4	2.6	2.3	2.2	na
Inflation (% change YOY):	7.0	3.2	1.8	4.1	7.8	4.0



Australia's trade relationship with East Timor (d):

Australian merchandise trade with East Timor, 2007:		Total share:	Rank:	Growth (yoy):
Exports to East Timor (A\$m):	37	0.0%	74th	23.1%
Imports from East Timor (A\$m):	2	0.0%	138th	149.5%
Total trade (exports + imports) (A\$m):	39	0.0%	88th	25.8%

Major Australian exports, 2007* (A\$m):		Major Australian imports, 2007 (A\$m):	
Refined petroleum	4	Coffee & coffee substitutes	1
Aircraft & parts	1		
Structures of iron, steel or aluminium	1		
Passenger motor vehicles	1		

*Includes A\$13m of confidential items and special transactions, 34% of total exports.

Australia's trade in services with East Timor, 2007:		Total share:
Exports of services to East Timor (A\$m):	na	na
Imports of services from East Timor (A\$m):	na	na

East Timor's global merchandise trade relationships:

East Timor's principal export destinations, 2006:			East Timor's principal import sources, 2006:		
1	Australia	53.7%	1	Indonesia	47.0%
2	United States	23.9%	2	Singapore	14.6%
3	Germany	3.9%	3	Australia	13.9%
4	Portugal	2.9%	4	Japan	10.4%

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF forecast; (c) PPP is purchasing power parity; (d) Total may not add due to rounding.

na Data not available.

