



Submission No 67

Inquiry into Australia's Relationship with Timor-Leste

Name: Mr Martin Hoffman

Organisation: Department of Resources, Energy and Tourism

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



12 April 2013

Mr Nick Champion MP
Sub-Committee Chair
Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs Sub-Committee
Parliament House
Canberra ACT 2600

Dear Mr Champion,

RE: Inquiry into Australia's relationship with Timor-Leste

The Department of Resources, Energy and Tourism welcomes the opportunity to provide a submission to the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, Inquiry into Australia's relationship with Timor-Leste.

The enclosed submission focusses on the Department's engagement with Timor-Leste on matters relating to the development of oil and gas resources in a shared area in the Timor Sea, the Joint Petroleum Development Area (JPDA), including the Greater Sunrise area. It is in this area that the Department has the most significant engagement with Timor-Leste. Other activities undertaken by the Department including through the successful Regional Workers Program, through the Tourism portfolio have also been addressed in this submission.

Our engagement with Timor-Leste in the JPDA is undertaken and governed by a treaty framework, comprising of the *Timor Sea Treaty*; the *Agreement Relating to the Unitisation of the Sunrise and Troubadour Fields* and the *Treaty on Certain Maritime Arrangements in the Timor Sea*. Each of these agreements was entered into freely by both the Australian and Timor-Leste Governments. The Department of Resources, Energy and Tourism, represents the Australian Government's interests within the framework of these treaties, which are aimed at supporting and facilitating the development of petroleum resources in the JPDA and Greater Sunrise area to the benefit of the people of Australia and Timor-Leste. In discharging our role under this framework, the Department works closely and, in respect of progressing agreement on the development of the Greater Sunrise area, jointly with, the Department of Foreign Affairs and Trade (DFAT).

Consistent with this arrangement, I wish to advise that the Department's submission to this Inquiry has been developed in consultation with the DFAT and should therefore be read as complementing the submission made by DFAT.

To date the benefits arising from the oil and gas developments within the JPDA over the past decade have made a significant contribution, economically and socially, to Timor-Leste's progress. In respect of the Greater Sunrise area, which straddles the JPDA as well as waters exclusively in Australia's regime, Australia and Timor-Leste continue to engage in detailed and complex negotiations on options for the development of this area.

The Greater Sunrise area is a valuable resources that properly developed, will deliver significant benefits to both Timor-Leste and Australia. Accordingly, Australia is strongly committed to continuing to work with Timor-Leste to enable the development of the Greater Sunrise area, and the JPDA more generally, to the benefit of both countries.

Yours sincerely,



Martin Hoffman
Deputy Secretary

15/4/13



Australian Government

**Department of Resources,
Energy and Tourism**

**Submission to the Joint Standing Committee on
Foreign Affairs, Defence and Trade**

Inquiry into Australia's relationship with Timor-Leste

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1. Introduction

The Department of Resources, Energy and Tourism was formed following the 2007 elections and is part of a larger portfolio.

The Department develops and delivers policies to increase Australia's international competitiveness, consistent with the principles of environmental responsibility and sustainable development. Our priorities are based on the importance of enhancing Australia's economic prosperity to ensure that Australia maintains its international competitiveness and responds to the increasing globalisation and technology developments of the resources, energy and tourism industries.

The Department liaises closely with the private sector, including major corporations and business associations.

2. The Submission

The Department of Resources Energy and Tourism welcomes the opportunity to make a submission to the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade (**the Committee**) in regards to the Inquiry into Australia's Relationship with Timor-Leste. This document has been prepared for submission to the **Committee**.

This submission provides an overview of the Resources, Energy and Tourism portfolio's bilateral relationship with Timor-Leste and focuses particularly on economic, trade and investment issues; cultural relations and exchanges; people to people links and touches on bilateral relations at the parliamentary and government levels. The Department notes that with reference to the Committee's terms of reference, the interconnected nature of

the terms will be evident when examining the activities the Department has undertaken in relation to or with Timor-Leste in the following submission.

This is primarily due to the Department's diverse portfolio responsibilities and high level involvement in two principal activities with Timor-Leste: development of offshore petroleum resources and tourism.

Through the high level bilateral relationship and ongoing cooperation that the Department has established with Timor-Leste, people to people links have been maintained; economic benefits have been delivered to the people of both nations; various capacity building initiatives have been undertaken and effective governance on shared issues and issues of mutual interest continue to be established.

3. Ministerial Engagement

Since Timor-Leste achieved its independence on 20 May 2002, the Australian Government Minister with portfolio responsibilities for resources, energy and tourism issues has maintained strong engagement with equivalent Ministers from Timor-Leste.

In December 2008, Timor-Leste joined as an observer on the Ministerial Council on Minerals and Petroleum Resources (MCMPR). Following the 2011 agreement of the Council of Australian Governments' (COAG) 2011, the Council of Australian Governments (COAG) to establish a new streamlined council system, the Ministerial Council on Energy and the Ministerial Council on Mineral and Petroleum Resources were amalgamated to form the Standing Council on Energy and Resources. Timor-Leste is not a member of SCER but maintains observer status.

Most recently the then Minister for Resources and Energy and the Minister for Tourism, the Hon Martin Ferguson AM MP travelled to Timor-Leste on 21 and 22 February 2013 where he met with President Taur Matan Ruak, Parliamentary leaders, the Minister for Petroleum and Mineral Resources, H.E. Alfredo Pires and the Minister for Finance, H.E. Emilia Pires.

4. Resource Development in the Timor Sea

Australia and Timor-Leste have not delimited their maritime boundaries but, consistent with the 1982 United Nations Convention on the Law of the Sea, have entered into three treaties which establish provisional arrangements of a practical nature that are without prejudice to final delimitation.

The Joint Petroleum Development Area (JPDA) and the Greater Sunrise fields are areas of Timor Sea in which Australia and Timor-Leste work together to facilitate development of resources and are shown in **Figure 1**.

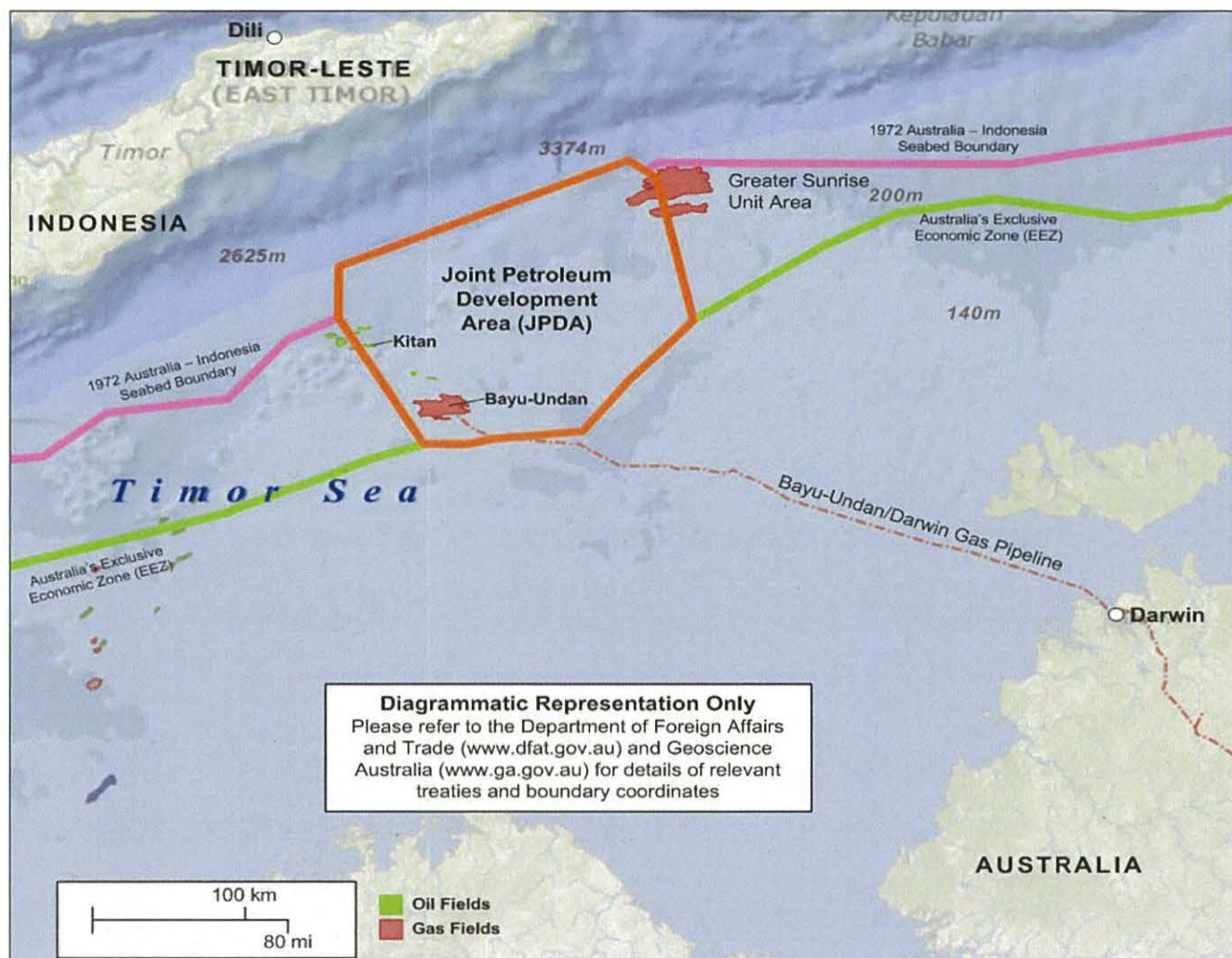


Figure 1: Map of JPDA and Greater Sunrise Unit Area.

5. Establishment of the Joint Petroleum Development Area (JPDA)

The JPDA is established by The Timor Sea Treaty between the Government of Timor-Leste and the Government of Australia.

The Timor Sea Treaty (TST), signed on 20 May 2002, entered into force 2 April 2003, provides the legal framework for Australia and Timor-Leste to jointly control, manage and facilitate the exploration, development and exploitation of petroleum in the JPDA for the benefit of the peoples of Australia and Timor-Leste. The TST is without prejudice to final seabed

delimitation of Australia's and Timor-Leste's seabed entitlements and is valid for 30 years from entry into force.

The TST also:

- establishes the Australia-Timor-Leste Joint Commission, which consists of one commissioner appointed by Australia and two commissioners appointed by Timor-Leste¹;
- the 90:10 revenue sharing arrangements (i.e. 90 per cent to Timor-Leste and 10 per cent to Australia);
- regulatory arrangements for all petroleum exploration and development within the JPDA; and
- dispute resolution processes.

The Joint Commission is responsible for establishing the policies and regulations relating to petroleum activities in the JPDA, and for overseeing the work of the Designated Authority², which carries out the day-to-day regulation and management of petroleum activities in the JPDA. *Refer further to Section 9 Timor Sea Joint Commission and ANP.*

The TST also provides for any petroleum reservoir extending across the boundary of the JPDA to be developed as a single resource between Australia and Timor-Leste (unitisation), which includes the Sunrise and Troubadour deposits (Greater Sunrise).

The Agreement Relating to the Unitisation of the Sunrise and Troubadour Fields (IUA) - signed 6 March 2003, entered into force 23 February 2007 –provides

¹ The Australian Commissioner to the Joint Commission is Ms Tania Constable, Head of Division, Resources, from the Department of Resources Energy and Tourism. Timor-Leste's Commissioners are Mr Francisco Monteiro, President and CEO of TimorGAP E.P and Mr Antonio Jose Loyola de Sousa.

² The Designated Authority in the JPDA is the Autoridade Nacional do Petróleo (ANP).

the legal and regulatory framework for the development of the Greater Sunrise Unit Area, which straddles the eastern boundary of the JPDA.

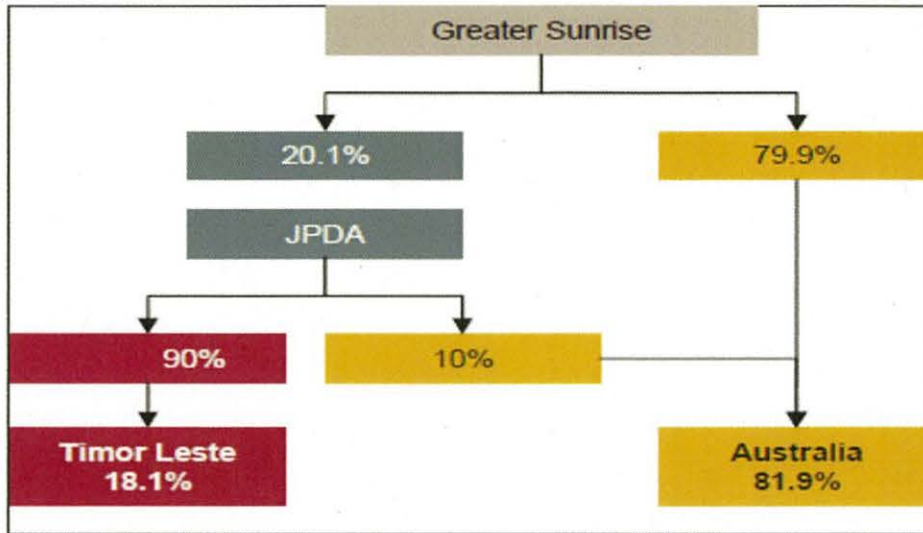
Specifically the IUA established:

- The Sunrise Commission (which is made up of 2 representatives from Australia and 1 from Timor-Leste) to provide strategic direction and facilitate the approvals processes of the Australian and JPDA regulators.³
- the arrangements relating to day-to-day administration of the Greater Sunrise fields; criteria for approval of a Field Development Plan; and
- dispute resolution processes.

Refer further to Section 10 – Regulation of Greater Sunrise Unit Area – The Sunrise Commission.

The IUA apportions Greater Sunrise on the basis that 20.1 per cent falls within the JPDA and the remaining 79.9 per cent falls in an area to the east of the JPDA in which Australia exclusively regulates activities in relation to the resources of the seabed and subsoil (refer Figure 2).

³ Australia's two Sunrise Commissioners are Ms Tania Constable, Head of Division Resources, Department of Resources Energy and Tourism, and Mr Rod Smith First Assistant Secretary, South East Asia Division, Department of Foreign Affairs and Trade. Timor-Leste Sunrise Commissioner is Mr Francisco Monteiro, President and CEO of TimorGAP E.P

Figure 2 – Apportionment of the Greater Sunrise Fields

Due to the agreed revenue sharing arrangements under the TST, in the absence of the *Treaty on Certain Maritime Arrangements in the Timor Sea* (CMATS), Timor-Leste would receive revenues from 18.1 per cent of the Greater Sunrise resource and Australia would receive revenues from 81.9 per cent, in accordance with the IUA apportionment ratio.

CMATS, signed 12 January 2006, entered into force 23 February 2007, is a further interim agreement that is without prejudice to the position of either country on their maritime boundary claims. CMATS allows the exploitation of the Greater Sunrise Unit Area to proceed while establishing a moratorium on maritime boundary claims for 50 years and extending the duration of the arrangements in place under the TST.

CMATS also adjusts the revenue sharing arrangement split in the IUA and provides for equal sharing of upstream revenue between Australia and Timor-Leste for the Greater Sunrise Unit Area.

Both Australia and Timor-Leste are bound by CMATS to refrain from asserting, pursuing or furthering by any means their respective claims to

sovereign rights and jurisdiction and maritime boundaries while CMATS is in force. The two countries undertake not to commence any dispute settlement proceedings against the other that would raise the delimitation of maritime boundaries in the Timor Sea.

Consistent with the TST and the IUA, Australia continues to be responsible for the exclusive regulation and authorisation of petroleum activities outside of the JPDA and south of the Australia-Indonesia seabed boundary, which is reflected in the 1972 Australia-Indonesia maritime boundaries agreement.

6. Regulation of Offshore Petroleum Operations in the JPDA

The day-to-day regulation of the JPDA is managed by the Designated Authority, the Timor-Leste offshore regulator, the Autoridade Nacional do Petróleo (ANP). The ANP regulates operations in the JPDA on behalf of both countries.

On 1 July 2008, the ANP took over responsibility from the former Timor Sea Designated Authority (TSDA) as the regulatory Authority in the JPDA. The commencement of the ANP was a significant milestone for Timor-Leste.

This transition was both supported and facilitated by the Resources and Energy portfolio. Refer **Box 1**.

7. Offshore Petroleum Operations in the JPDA

There are currently two operating fields in the JPDA. Bayu-Undan and Kitan.

The Sunrise and Troubadour Fields, which make up the Greater Sunrise unit area, are yet to be developed.

Bayu-Undan

ConocoPhillips (57.2 per cent) operates the Bayu-Undan field in a joint venture with Eni (11 per cent), Santos (11.5 per cent), INPEX (11.3 per cent), and Tokyo Timor Sea Resources Pty (9.2 per cent)⁴.

Bayu-Undan is a major gas and condensate field located wholly within the JPDA in 80 metres of water about 250 kilometres south of Suai, Timor-Leste, and 500 kilometres northwest of Darwin, Australia. The Bayu-Undan field is estimated to contain 3.4 trillion cubic feet (TCF) of gas and 110,000 barrels of condensate.

The Bayu Undan field commenced production on 10 February 2004.

Kitan Field

The Kitan field is operated by Eni (40 per cent) with joint venture partners INPEX Timor Sea Ltd (35 per cent) and Talisman Resources Pty Ltd (25 per cent).

Kitan is an oil field located wholly within the JPDA about 240 kilometres south of the Timor-Leste capital of Dili and 550km north of Darwin, Australia. The Kitan Field commenced production on 10 October 2011. It is estimated that up to 34.6 million barrels of oil will be recoverable from the field.

The Kitan Field Development Plan was approved by the Autoridade Nacional do Petróleo (ANP) in April 2010 to exploit the Kitan oilfield in the JPDA using a floating facility (FPSO). This was the first development that has been approved by the ANP since its formation in 2008.

⁴ Tokyo Timor Sea Resources Pty is a wholly owned subsidiary of Tokyo Electric Power and Tokyo Gas.

Greater Sunrise Unit Area – Sunrise and Troubadour Fields

The Greater Sunrise fields are located approximately 450 km north of Australia and approximately 150 km southeast of Timor-Leste. They are located in Retention Leases NT/RL2 and NT/RL4 in Australian waters and PSC 03-19 and PSC 03-20 in the JPDA.

Woodside Energy Ltd (33.44 per cent) operates the Greater Sunrise project with Joint Venture partners - ConocoPhillips STL Ltd (30 per cent), Shell Development (Australia) (26.56 per cent) and Osaka Gas Australia Pty Ltd (10 per cent).

In accord with the TST and the IUA neither Australia nor Timor-Leste can unilaterally develop the Greater Sunrise field.

8. Financial benefits from the JPDA

Under the terms of the TST, the Australian Government is entitled to a 10 per cent share and the Timor-Leste Government is entitled to a 90 per cent share of royalties collected from oil and gas produced in the JPDA. The royalties are collected by the Designated Authority on behalf of the Timor-Leste and Australian Governments. Since 1 July 2008, the Designated Authority has been part of the ANP of Timor-Leste. The Autoridade Nacional do Petróleo (ANP) makes monthly payments of royalty revenues to each Government: profit oil (PO) and first tranche petroleum (FTP)

Under Article 6 and Annexure C of the TST, the Designated Authority is responsible for the day-to-day management and regulation of petroleum activities in the JPDA. This includes the management and distribution of petroleum royalty payments from the JPDA to both Australia and Timor-Leste.

The Designated Authority reports revenue received from the two fields and to date the following revenue has accrued to the two Governments:

	Total Net FTP & Profit Oil Received (\$US)	Total Net FTP & Profit Oil Distributed (\$US)	Timor-Leste (\$US)	Australia (\$US)
Total FTP& Profit Oil	10,049,336,750.95	10,049,336,750.95	9,039,097,921.19	1,010,238,829.76

Source: <http://www.anp-l.org/webs/anptlweb.nsf/vwAll/Publish%20What%20You%20Pay>

9. Timor Sea Joint Commission and ANP

Regulatory matters are overseen by the Timor Sea Joint Commission ('the Joint Commission'), which also has responsibility for broad strategic issues including the award of titles. The Joint Commission reports to a joint Australia-Timor-Leste Ministerial Council.

The Joint Commission first met in April 2003 and has met a total of 36 times. The purpose of the Joint Commission is to establish policies and regulations on petroleum activities in the JPDA and to oversee work of the Designated Authority (the ANP since 1 July 2008).

On 19 March 2013, the 36th Joint Commission Meeting was held in Dili, Timor-Leste.

The powers and functions of the Joint Commission include:

- giving directions to the Designated Authority on the discharge of its powers and functions;
- conferring additional powers and functions on the Designated Authority;
- approving financial estimates of income and expenditure of the Designated Authority;

- approving rules, regulations and procedures for the effective functioning of the Designated Authority;
- designating the Designated Authority for the period referred to in Article 6(b)(i) of the *Timor Sea Treaty* (TST);
- at the request of a member of the Joint Commission inspecting and auditing the Designated Authority's books and accounts or arranging for such an audit and inspection and approving the results of these actions
- considering and adopting the annual report of the Designated Authority; and
- of its own volition or on recommendation by the Designated Authority, in a manner not inconsistent with the objectives of the TST, amending the Petroleum Mining Code to facilitate petroleum activities in the JPDA.

The Joint Commission exercises its powers and functions for the benefit of the peoples of both Timor-Leste and Australia having regard to good oilfield, processing, transport and environmental practice.

As the Designated Authority, the ANP reports to the Joint Commission in regards to all petroleum operations within the JPDA.

The powers and function of the Designated Authority are provided for in the TST and include:

- day-to day management and regulation of petroleum activities in accordance with the TST, including directions given to it by the Joint Commissions:
- search and rescue operations in the JPDA;
- establishment of safety zones and restricted zones consistent with international law to ensure the safety of navigation and petroleum operations;

- controlling movements into, within and out of the JPDA of vessels, aircraft, structures and other equipment employed in exploration for and exploitation of petroleum resources in a manner consistent with international law;
- issuing regulations and giving directions under this treaty on all matters related to the supervision and control of petroleum activities including on health, safety, environmental protection and assessments and work practices, pursuant to the Petroleum Mining code

The goals of the Designated Authority as articulated through the Joint Commission include:

- ensuring petroleum resources are effectively explored, developed, managed and regulated;
- promoting implementation of best health safety and environmental management practices by persons engaged in offshore petroleum activities in the JPDA; and
- ensuring revenue and direct/indirect economic benefits are delivered to both Australia and Timor Leste;

Outside of the JPDA the ANP is also responsible for

- regulating all downstream petroleum activities in Timor-Leste; and
- maximising economic activities of the petroleum sector in Timor-Leste waters.

10.Regulation of Greater Sunrise Unit Area- The Sunrise Commission

The IUA provides for the establishment of the Sunrise Commission. The Sunrise Commission first met on 28 October 2008.

The Sunrise Commission consults on issues in relation to exploration and development of petroleum in the Greater Sunrise Unit Area and facilitates

coordination of regulatory authorities to promote development of the Greater Sunrise petroleum reservoir as a single entity.

The Sunrise Commission's Governance Protocols provide that the Sunrise Commission:

- shall facilitate coordination between the regulatory authorities to promote the development of the petroleum reservoir as a single entity;
- may review, and make recommendations to the regulatory authorities with regard to, a development plan;
- shall consider matters referred to it by the regulatory authorities, facilitate inspection of measuring systems and coordinate the provision of information by contractors to the regulatory authorities;
- may monitor the application of relevant laws and may make recommendations to the regulatory authorities concerning the application of such laws; and
- may resolve disputes referred to it by the regulatory authorities by consultation and negotiation.

On 20 March 2013, the 13th meeting of the Sunrise Commission was held in Dili, Timor-Leste.

Box 1

Box 1: Capacity Building in the Joint Petroleum Development Area (JPDA).

The Timor-Leste Autoridade Nacional do Petróleo/ National Petroleum Authority ('ANP') is responsible for the day to day management of petroleum operations in the JPDA. On 1 July 2008, Timor-Leste's newly established ANP took over responsibility from the former Timor Sea Designated Authority (TSDA) and is now the new regulatory Authority in the JPDA. The commencement of the ANP was a significant milestone for Timor-Leste.

Prior to the establishment of the ANP, the TSDA was responsible for ensuring that the resources in the JPDA were effectively developed and the appropriate revenues to Timor-Leste and Australia Governments were paid. Other key roles included ensuring petroleum operations were conducted in an environmentally sound way and that the health and safety risks to persons offshore were properly controlled.

To help the TSDA with the transition of these responsibilities into the ANP, a four person team from the Department of Resources Energy and Tourism worked in Dili with the TSDA staff, from February 2008 to the end of June 2008. The project was funded by AusAID, the Australian Government agency responsible for managing Australia's overseas aid program.

Since 2006, the TSDA had been working on updating the regulations to manage petroleum activities in the JPDA. The Australian team assisted TSDA staff in bringing the regulations for operations in JPDA up to more modern standards. The revised regulations move from a prescriptive base to an objective base in which the operator of an offshore facility is responsible for the safe and effective operation of the petroleum facility, consistent with Australia's offshore petroleum regulatory regime. The revised regulations are focussed on performance and outcomes of petroleum operations, rather than prescribing what companies have to do. An objective based regime ensures flexibility in operational matters to meet the unique nature of differing projects and avoids a lowest common denominator approach to regulation.

The TSDA had also developed policies to provide guidance to operators in the JPDA on how the TSDA will administer the regulatory regime as well as policies to provide a framework for the internal regulatory and corporate governance operations of the organisation. The team worked with the TSDA to formalise the draft policies and identified gaps where new policies needed to be developed. To be able to execute these policies in a consistent way, the team worked with TSDA staff to draft and put in place procedures to explain how the staff will carry out their day to day tasks and give effect to all of the policies.

These corporate governance and regulatory policies and procedures that were established by the TSDA with the assistance of the team from the Department of Resources Energy and Tourism provided the framework for decision making and training of new starters in the ANP.

The Department's assistance also extended to the ANP following its establishment. In this regard the Department facilitated the secondment of a senior inspector from the then National Offshore Petroleum Safety Authority (NOPSA)⁵ to provide training and support in developing the capacity in as a regulator for offshore petroleum activities, including assessment of applications for activity approvals and compliance monitoring.

Through this arrangement further opportunities were made available for ANP inspectors for experience and training in different aspects of offshore petroleum health and safety regulation with NOPSA. Inspectors from the ANP have acted as observers to NOPSA's offshore facility inspections and safety case assessments. In addition, some ANP inspectors took part in statutory compliance training in conjunction with NOPSA inspectors.

⁵ 1 January 2012, NOPSA's functions were expanded to also incorporate the regulation of well management, facility integrity and protection of the environment, establishing the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).

11. Tourism

In the year ending September 2012, there were 4,000 Timor-Leste visitors to Australia, a decrease of 1.8 per cent on the previous 12 month period.

In the year ending September 2012, 17,400 Australians visited Timor-Leste, a decrease of 3.7 per cent on the previous 12 month period.

12. Air Services Arrangements

An inaugural air services agreement with Timor-Leste was negotiated in March 2012 and both countries have commenced the Treaty process. Air services operate between the two countries under charter arrangements.

Air services talks with Timor-Leste were held in March 2012 which resulted in the signing of a Record of Discussion but the negotiated commercial rights are not currently available.

Due to its domestic regulations, Timor-Leste cannot bring air services arrangements into effect until an Air Services Agreement (ASA) enters Treaty status.

Both countries have now settled the text of the ASA and Australia is in the initial stages of moving with its domestic treaty process. The treaty processes of both sides are not likely to take effect until late 2013.

The commercial entitlements for airlines will be contained in a Memorandum of Understanding which will be drafted once the ASA is in force.

Currently, Air North operates services between Darwin and Dili under a charter approval arrangement.

13. Timor-Leste Tourism

Timor-Leste's national Strategic Development Plan 2012-2030 includes tourism as an industry to develop. The Plan aims to promote high-end beach and eco-tourism products which are sustainable and adhere to strict environmental standards.

To assist the Government's Plan to promote Timor-Leste as a new global tourist destination, public lands will be leased for resort development, and infrastructure improvements include a proposed new airport located in the east of the country.

Marketing activities include Timor-Leste's traditional culture, history, crafts, music and dance. The Government supports village based homestay accommodation, as well as religious pilgrimages to significant sites around Timor-Leste.

The key tourism assets of Timor-Leste are its culture, beaches and landscape. Major tourist activities include snorkelling/diving, whale and dolphin watching, bird watching, trekking and mountaineering. The country has several beach resorts which offer basic facilities to five star accommodation options.

The Timor-Leste Tourism Office (Turismo de Timor-Leste) is focused on developing the industry through CBT, in which local residents (often rural) invite tourists to visit and stay in their community for a short period of time. Any tourist income is set aside for projects which provide benefits to the community as a whole.

In 2003, Timor-Leste became a member of the Pacific Asia Travel Association (PATA).

In 2005, Timor-Leste became a full member of the UNWTO and along with Australia, is a member of the East Asia and the Pacific Regional Commission. On joining, the Timor-Leste Government confirmed that it viewed tourism as a tool for poverty alleviation, job creation and a way of promoting social welfare and economic growth.

14. Seasonal Workers Program

The Seasonal Worker Program (SWP) accommodation trial began on 1 July 2012 and will run for three years.

Currently there are three Approved Employers under the Broome SWP pilot, including Cable Beach Club Resort, Mercure Broome and Eco Beach Wilderness Resort.

Since the commencement of the project, the resorts have employed 12 Timor-Leste seasonal workers. The employers have been impressed with the productivity and performance of these seasonal workers to date.

The three resorts have signalled their desire to recruit up to 30 seasonal workers next season, depending on the demand for seasonal labour and the results of local labour market testing for Australian job seekers.

The Australian Government continues to work closely with the tourism industry and State Governments to encourage more accommodation businesses to take up the seasonal worker program.

The tourism industry has access to 1,550 places (spread evenly across the accommodation, cotton, cane and aquaculture sectors) under the SWP pilot.

Seasonal workers can be employed from Timor-Leste, Kiribati, Nauru, Papua New Guinea, Solomon Islands, Samoa, Tonga, Tuvalu and Vanuatu.

The SWP provides eligible Australian accommodation businesses in Broome, the Northern Territory, Kangaroo Island, Tropical North Queensland and the Whitsundays that are unable to find enough local Australian workers to meet their low-skilled labour requirements, particularly in peak seasons with an additional workforce option.

Seasonal workers can be employed in low skilled occupations including bar attendants, baristas, food and beverage attendants/waiters, café workers, garden labourers, housekeeping, kitchen hands and public area cleaners.

They can be employed by Approved Employers for 14 weeks to six months.

Twelve workers from Timor-Leste were employed by three Approved Employers in Broome in 2012. An additional eight seasonal workers are currently working with an Approved Employer in Broome with at least an additional six workers expected to commence in April.

More information on the SWP can be found at <http://deewr.gov.au/seasonal-worker-program>.

15.Future Engagement / Going Forward

The Department remains committed to working with Timor-Leste, under the auspices of the Treaty regime, to further opportunities in the Joint Petroleum Development Area (JPDA) for oil and gas developments and through the current initiatives being progressed in the Tourism based initiatives, to the benefit of the people of Timor-Leste and Australia.

The Department will continue to represent the Australian Government's interests in petroleum and tourism through ongoing engagement and cooperation with Timor-Leste Government and its officials.