



Submission No 57

Inquiry into Australia's Relationship with Timor-Leste

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

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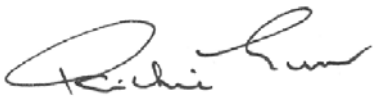
To the Joint Standing Committee on Foreign Affairs, Defence and Trade

Attached is a submission to the current Inquiry into Australia's relationship with Timor-Leste. I am chairperson of the Australia-East Timor Friendship Association of SA (AETFA). Our organisation is making a separate submission on the subject of human rights in Timor Leste.

This submission on development issues is based on my experience in Timor-Leste.

Since 2007 I have been visiting Timor Leste as a volunteer medical practitioner at the Bakhita Medical Centre in Ermera District.

I would be willing to make a verbal submission to the Committee.

A handwritten signature in black ink, appearing to read 'Richie Gun', written over a horizontal line.

Richie Gun

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

Dr Richie Gun

Timor Leste has a very high fertility rate. According to the Demographic and Health Survey of 2009-10 produced by the National Statistics Directorate, the fertility rate is 5.7 births per woman, the highest in South-East Asia. The combination of a high fertility rate with its heavy reliance on finite oil and gas resources in the Timor Sea places the future of Timor Leste in a precarious situation.

The main source of national income is from royalties from the Bayu-Undan gas field in the Timor Sea. This revenue goes into the Petroleum Fund, most of which (74%) is invested in US government securities. As of December 2012 the petroleum Fund was valued at just under \$US11.8 billion. Established in 2004 by the then-Fretilin Government, the aim was to ensure that petroleum revenues would be managed in a sustainable way. By containing annual withdrawals within the Estimated Sustainable Income (ESI), computed by the Ministry of Finance, it was anticipated that the national income would be assured beyond the life of the oil and gas deposits. Regrettably, the withdrawals from the Fund required to fulfil the expenditures approved by the TL parliament in recent years have greatly exceeded the ESI. It has been estimated that at the current rate of withdrawal, the country will be bankrupt by 2018, six years *before* the Bayu-Undan production is due to end. Meanwhile the other major field, Greater Sunrise, has not progressed to development due to lack of agreement between the TL Government and the developers, principally Woodside, on the location of the processing plant.

Managing the expenditure of the CNRT Government of TL and resolution of the dispute of the location of the platform for Greater Sunrise are beyond the scope of this submission. However, the Australian Government should consider strategies that could lessen the impact of these contingencies on the living standards of the Timorese population. One of the major ways would be to support and help expansion of programs to reduce fertility. The urgent need for these programs is apparent from the Demographic and Health Survey of 2009-10, which predicts a population of 1.9 million by 2025 and 3.2 million by 2050.

My personal observations have been made in Ermera District, which according to the Demographic and Health Survey has the equal second highest fertility rate in the country of 6.6 births per woman. I have not experienced any aversion to the use of contraceptive measures (mainly in the form of quarterly injections of Depo-Provera), but unfortunately most women do not employ them until after they have had several children.

In seeking a model for fertility control, the example of Indonesia is ideal. The fertility rate has fallen by more than one-half since the 1960s, and is now 2.23 per woman, well under one-half of that in Timor Leste. There are a number of factors why Indonesia's non-coercive program has been successful, but an important contributor has been the role of an extensive network of midwives, who are trained in implant and IUD insertion and removal.

The TL Government provides family planning services. In Ermera district there is a small number of workers in the District Health Service who provide these services, including insertion of implants or IUDs. These services are available without charge to any woman, and some hundreds of women have benefited from them. However the Demographic and Health Survey reports that only 18% of the women of that District use any contraceptive method. A program is needed to explain the improvements in health and economic wellbeing that would follow from declining fertility rates. Timor has a National Family Planning program, which aims "to reduce the population growth rate gradually by promoting the concept of a small family norm to the population in general". To my knowledge no such promotion has occurred in Ermera District: possibly this will become feasible when the

current electrification program has been completed, enabling radio and TV penetration to many more households.

Australia may be limited in what it can do to support such a promotion program in Timor Leste, which would in any case best be modelled on the highly successful program of Indonesia. However Australia could and should provide support to meet any future increase in demand for family planning services generated from promotional programs. It is here that we could assist in the training of a network of midwives, who can propagate information about contraceptive methods and promote their uptake.

A useful model has been initiated in Timor Leste. Liga Inan (meaning mobile mums) has been established by the NGO Health Alliance International (HIA) to facilitate communication between midwives and pregnant women, using mobile phones and SMS. The technical partner in this project is Catalpa International, a mobile and software development company, based in Dili and focused on developing technical solutions in low resource settings. The funding of HIA for the Liga Inan project is provided by USAID.

After initial training of midwives, the Liga Inan project was launched in February in Manufahi District. The system sends maternal health-related text messages twice weekly to pregnant women enrolled in the project. The system also facilitates contact between pregnant or postpartum women and their midwives, including regular phone contact around the time of delivery. Communication goes both ways. The midwives have been using the service to broadcasting text messages to their patients, while mothers have been requesting assistance from their Health Facility via SMS. The project has been enthusiastically received by both midwives and pregnant women. So far (end of March 2013) 200 women have been registered in the program and the program will soon be extended to other subdistricts.

This model seems ideal to adapt for propagating family planning. I have raised the matter with Catalpa International, which built the software and runs the service for Liga Inan. For its part, Catalpa International has responded with an expression of interest in supporting the Ministry of Health's "Child Spacing" initiatives. The need for such support is made clear in the report of the Demographic and Health Survey:

The high total fertility rate has immediate and serious implications for childbearing women and the health care system. The ability to provide quality reproductive health services will be severely compromised because existing resources are scarce, and high fertility will only increase these demands on the system.

HIA receives funding from Ausaid, but for projects other than Liga Inan. Australia could make a great contribution to the future welfare of the East Timorese if Ausaid, in collaboration with the National Family Planning program, were to support a community network of midwives to deliver family planning services, particularly in rural and regional areas.

Overview

Within the next two decades Timor Leste will face severe economic difficulties from the likely concurrence of three developments:

- 1 Production from the Bayu-Indan gas field, the main source of national income, will cease. Additional revenue from royalties will depend on development of other fields, which have not been forthcoming as yet. However there could be some amelioration if the current agreement on territorial boundaries were renegotiated. Soon after the current agreement was negotiated with East Timor, Australia withdrew from the jurisdiction of the International Court of Justice on maritime issues and the International Tribunal for the Law of the Sea. This means that any

settlement can only come about through direct negotiation with Australia. It is likely that under contemporary international maritime law the territorial boundary between Australia and Timor Leste would be re-located, so that most of Greater Sunrise – and several other Timor Sea oil fields – would be entirely within Timor-Leste's offshore resources zone. Thus if Australia were to return to the jurisdiction of the International Tribunal, the economic future of Timor Leste would be more secure.

- 2 The Petroleum fund will be depleted if the current rate of withdrawal continues. It is difficult to see how the withdrawal rate will be reduced to sustainable levels. Given the experience of overspending in some countries which have longstanding democratic traditions, it is difficult to foresee much restraint from this relatively inexperienced administration, particularly as it faces so many pressing infrastructure needs such as water storage and supply, electrification and communication, as well as basic services such as health and education. The previous Fretilin Government was much more conservative in its expenditure than the current administration; however it is highly unlikely that Fretilin will gain enough support to form a government in the foreseeable future.
- 3 A sharp increase in population will occur. At present there is a high rate of fertility. When the children of these large families themselves reach reproductive age, the population growth will accelerate unless a resolute family planning program is implemented. Even now the Timor Leste government is importing more than one-half of its rice requirements (rice having become the staple since the Indonesian occupation). There is scope for increasing the intensity of agricultural production, but the potential for increasing the amount of land under cultivation is limited by the mountainous terrain.

The need for a reduction in female fertility is therefore urgent. Australia could and should assist by offering generous support to the National Family Planning program.