## TERMS OF REFERENCE

That the following matters be referred to the Senate Foreign Affairs, Defence and Trade References Committee for inquiry and report by 21 October 1999:

- (a) economic, social and political conditions in East Timor including respect for human rights in the territory;
- (b) Indonesia's military presence in East Timor and reports of ongoing conflict in the territory;
- (c) the prospects for a just and lasting settlement of the East Timor conflict;
- (d) Australia's humanitarian and development assistance in East Timor;
- (e) the Timor Gap (Zone of Cooperation Treaty); and
- (f) past and present Australian Government policy toward East Timor including the issue of East Timorese self-determination.

## **CONTENTS**

Membership of the Committee	iii
Secretariat	iv
Terms of reference	v
Table of contents	vii
Map of East Timor region	xi
CHAPTER 1—Introduction	1
CHAPTER 2—Economic and social development	7
The East Timor economy	7
Budgetary assistance from Jakarta	8
International aid	9
Investment	9
Employment	9
Agriculture	10
Food security	10
Coffee	11
Livestock	12
Fisheries	12
Other commercial crops	12
Mining and energy	12
Timor Gap oil	12
Manufacturing	12
Infrastructure and construction	12
Services	13
Financial services	13
Transport services	14
Telecommunications	14
Media	14
Retail	15
Tourism	15
Conclusion	15
Land tenure	15
Health	16
Australian assistance	17
National Tuberculosis program in East Timor	18
Conclusion	18

Education	20
Australian assistance	20
Conclusion	27
The rule of law	28
Portugal and Portuguese	30
The role of the Catholic Church	33
CHAPTER 3—Humanitarian assistance and security matters	
Humanitarian and development assistance	37
Initial aid activities	37
Australian financial aid	37
International aid	39
Co-ordination	41
The Oecusse enclave	42
AUSCIVPOL	46
United States role in East Timor	49
Radio Australia	51
MAPS	
East Timor	
Wells and fields	
CHAPTER 4—The Timor Gap (Zone of Co-operation) Treaty	
Introduction	57
Indonesia's interest	59
1997 Delimitation Treaty	61
Administrative arrangements in the transitional period	61
Bayu-Undan liquids recovery and gas recycle project	62
The transition from Indonesia to East Timor	64
Attitude of the East Timorese	68
MAPS	
The Timor Gap: terminal points 16 and 17	
Areas A, B and C	
Areas A R and C in relation to East Timor and Australia	

CHAPTER 5—Human rights in East Timor		
Human rights abuses in East Timor since 1975	79	
Death toll		
The human rights record, 1975—1999		
Violence within East Timorese society		
Responsibility for militia violence leading up to and following		
the 30 August 1999 vote	92	
Holding to account those responsible for crimes		
International Commission of Jurists' offer		
Displaced persons in West Timor		
Electoral information data base	107	
East Timorese asylum seekers	107	
CHAPTER 6—Australian policy: Indonesia's incorporation of East Timor	ı	
Introduction	111	
Australia's breach of Portugal's neutrality in 1941	111	
The Menzies period	115	
The Whitlam government	118	
The Fretilin UDT conflict	127	
Australian attempts at mediation	129	
Indonesian fear of Communist influence in Fretilin	130	
Balibo	133	
America's policy in 1975	135	
Britain's policy in 1975	137	
Five-Power partners	137	
Portugal's policy	138	
Australian disengagement	139	
Contradiction between self-determination and incorporation	142	
Conclusion	149	
CHAPTER 7—Australia's policy: late 1975–99		
Fraser government		
The Hawke government		
The Keating government		
United Nations' negotiations	172	

The Howard government	174
A well-conceived strategy?	181
Australia's preparedness to prevent post-ballot violence	183
Australian policy in retrospect	190
Conclusion	193
CHAPTER 8—Australia and Indonesia	
Australia's relations with Indonesia	195
Mending relations	196
Building a constructive relationship	198
Democratic Indonesia	200
Further Australian involvement in Indonesia	200
Northern Territory and eastern Indonesia	201
Australian defence co-operation with Indonesia	201
APPENDICES	
Appendix 1	
Submissions	209
Appendix 2	
Witnesses who appeared before the Committee at public hearings	215