THE ROTARY CLUB OF MELBOURNE

**WEDNESDAY 29th MAY 2013**

**HON Steve Bracks ac, special adviser to the Prime Minister**

**of the Democtratic republic of Timor-leste**

**bracks Timor-leste governance project**

I’d like to acknowledge:

* President Clive Weeks
* Chairperson Alistair Urquhart
* Members and Guests

I’ve made 27 trips to Timor-Leste in the last six years. And there has been one organisation that has been a constant all that time. An organisation that has been quietly backing some vital projects ranging from support for life saving medical treatment and evacuations, to practical training in metal work, to building schools.

An organisation that has shown a real, long term commitment to the people of Timor-Leste reflected by the fact it has a highly respected representative on the ground in Dili, the legendary Daryl Mills. I’m talking about Rotary of course.

Daryl has provided me a list of 15 Australian Rotary clubs that since 2000 have contributed ‘labour, funding and sundries’ to the people of Timor-Leste totaling in excess of $11.8 million. I don’t normally claim to speak on behalf of the Prime Minister Xanana Gusmao and the Government of Timor-Leste, but I think in this case I can, and I will. I’d like to thank you all here, and all the thousands of Rotarians around Australia who have contributed to the amazing success story that is Timor-Leste today.

As we all know the people of Timor-Leste have had a very traumatic past. For 400 hundred years the half island was colonised by Portugal. During that time various Timorese kingdoms mounted struggles for independence. In 1941 Australia invaded neutral Portuguese Timor in an attempt to forestall a Japanese invasion. Instead the Japanese invaded a few months later and stayed until the end of the war in 1945. The Australian soldiers on the ground in Timor formed lifelong bonds with the Timorese who fought with them against the Japanese and many felt enduring guilt following their evacuation at the start of 1942. During the war, 50,000 Timorese died - either killed in battle or from disease or starvation. It was a death toll of nearly one in nine.

After the World War II, the Portuguese returned and the Timorese lived under colonial rule for another thirty years until there was a revolution in Portugal in 1974. The new regime announced that Portugal would grant independence to all of its colonies – including Portuguese Timor. Australia turned its back on the people of Timor again and, as we now know, covertly supported Indonesia’s plans to integrate Timor. The Indonesians invaded in December 1975 and a brutal war ensued, that lasted 24 years. Again the death toll from warfare, disease and starvation was staggering. About 200,000 people, nearly a quarter of the population, died during the Indonesian occupation.

And all this happened on our doorstep, on our watch, in our lifetimes – an hour by plane from Darwin.

Violence around the historic vote for independence in August 1999, led to the death of another 1400 people at the hands of the retreating Indonesian backed local militia who also destroyed nearly 90 per cent of the nation’s physical infrastructure – including most hospitals, schools, bridges and power plants.

Fortunately, the rest of the story is mostly one of hope and rebuilding, and Australia has played a much more positive role. We led the International Stabilisation Force that restored peace to the streets in 1999 and we are now the biggest bilateral donor. And at the community level, Australian individuals and organisations like Rotary, have forged deep bonds of friendship with individuals and organisations all over Timor-Leste.

My work in Timor-Leste has a similar origin. I have been a pro bono special adviser to the Prime Minister Xanana Gusmao since September 2007. I had met Xanana previously on trips to Timor-Leste about Balibo House, and when he visited Australia when I was Premier. I had just retired as Premier when Xanana was elected Prime Minister. I offered to help at exactly the same time a request came from Xanana to see if I’d be available. I didn’t want to be a burden on the new Government so I approached another friend who I knew was a big fan of Xanana and his Australian born wife, Kirsty – philanthropist and highly successful businessman, Harold Mitchell AC. In his inimitable way Harold shook my hand and said how much? Harold is still supporting our project nearly six years later. His support has allowed me to access expert advice and engage Kim McGrath as a Senior Research Associate.

To give you a sense of the extraordinary progress that has been made in Timor-Leste in the last six years – the term of the Gusmao Government - I want to talk briefly about the situation in Timor-Leste at time of my first visit as special adviser in September 2007. At that time the Gusmao Government was only a month old and it faced massive challenges:

* around 150,000 people were living in “internally displaced persons” or IDP camps in the middle of Dili, as well as throughout the country, too scared to go back to their villages after the violence of 2006
* there was a group of armed rebel soldiers in the mountains
* there were daily power failures in the capital and no power in most regional areas
* schools, hospitals, and roads along with most other public infrastructure, that had been destroyed in 1999 were in need of rebuilding or repair, and
* the Prime Minister was having to lead a five party coalition government.

As if these issues were not difficult enough there was the added challenge of language - under the Timor-Leste Constitution - Portuguese, and the local language Tetun, are “official languages” and English and Indonesian are “working languages”. This means the court system, the Parliament and the school system use Portuguese, even though at the time it was the first language of less than 15 per cent of the population. This is a sensitive issue but one that cannot be ignored as it adds ten degrees of difficulty to running a government.

Given the scale and intensity of the challenges his new Government faced, I was initially surprised when the Prime Minister told me at our first meeting in September 2007, that 2008 was going to be the Year of Administrative Reform and that he wanted me to help establish an independent Civil Service Commission and an Anti-Corruption Commission.

But once I realised that much of the public sector support I took for granted as Premier of Victoria was non-existent for the Prime Minister of Timor-Leste, his determination to get the public sector functioning made sense. From 1999 to independence in 2002, the country had been administered by the United Nations. Most of the Indonesian civil servants who ran the basic government services before then had left – they had to cross the border into Indonesia if they wanted to keep their pensions. So on top of rebuilding physical infrastructure – the people of Timor-Leste had to establish parliamentary democracy, executive government, a functioning bureaucracy, legal and policing systems, all at the same time, from virtually nothing.

The first six months of Prime Minister Gusmao’s Government was very difficult. A critical turning point was the assassination attempts on the lives of President Jose Ramos Horta and the Prime Minister. Miraculously President Horta survived and it allowed the Prime Minister to assert his authority and take control. From that point on, in February 2008, it was very clear that it was Xanana running the show and not the UN or any other development partners. Soon after that the armed rebels all surrendered peacefully. This meant it was safe for around 150,000 people living in IDP camps to return to their homes. The UN said it would take 10 years – the Gusmao Government had everyone resettled in two.

So how have other things changed in the last six years? The Government now has an independent Civil Service Commission led by a very competent Timorese national, Liborio Peirera. There is an Anti Corruption Commission led by another outstanding young Timorese who gave up the relatively cosy life a PHD student at ANU to take on the role, Aderito de Jesus Soares.

Since 2007 the economy has been growing at double digit numbers and Timor is able to invest its oil and gas resources in a way that gives real hope for the future. The Petroleum Fund, which was $1.8 billion when the Prime Minister took office, is now over $13 billion dollars. It was conservatively invested and is now recognised as one of the best performing sovereign wealth funds in the world.

Timor-Leste was the first country in Asia, and third in the world, to be compliant with the Extractive Industry Transparency Initiative so that every dollar that comes in from petroleum revenue is publicly disclosed and matched with the records of resource companies.

The rate of absolute poverty, while still high, has fallen and the mortality rate for children under five has more than halved since Independence. There is now a power grid around the whole nation – that will open up access to refrigeration, electric stoves, light for reading and learning after dark, and all those other things we take for granted that require power.

Six years ago you could guarantee getting anywhere in Dili in about 10 minutes as the streets were largely empty apart from UN four wheel drives. It now takes 20-30 minutes to get anywhere in Dili and traffic congestion is a major problem – but also a sign of progress. The one area that has not progressed is the state of the roads. I am sure those of you who have travelled anywhere in Timor-Leste would back me in on that.

Six years ago it wasn’t safe to go out in Dili after dark. Last year Timor-Leste celebrated ten years of independence. I was in Dili for the anniversary. There was fireworks and dancing and many speeches – probably too many speeches! And there was no hint of violence. The people of Timor-Leste celebrated their achievement peacefully. The streets of Dili, and the smaller towns and villages, were packed with children playing and families revelling in their capacity to be out on the streets after dark without fear.

That, I believe is Xanana Gusmao’s greatest achievement. He has found a pathway from oppression and war, from fragility to resilience, to peace and stability.

But despite this success, Timor-Leste is still one of forty-nine countries the United Nations labels “Least Developed Countries”. It is one of the thirty countries labelled by the World Bank as “Fragile States”. Most of the population of Timor-Leste is part of the 1.3 billion people around the globe living in extreme poverty. Over 60 per cent of the population is under 25 years old. These young people need quality education and health services and they need jobs.

To address these challenges in both the short and long term, the Government engaged in a two year consultation process, that included the Prime Minister personally attending community meetings in over 65 sub-districts in an intense 3 month period. As a former politician I was in awe of his capacity to listen patiently and continue taking questions until the early hours of the morning.

The result was the *Timor-Leste Strategic Development Plan 2011- 2030* thatwas released at the Development Partners Meeting in Dili in July 2011. The *Strategic Development Plan* sets out a path to achieve rapid and inclusive growth by:

* investing in infrastructure
* developing the economy - with a focus on the petroleum, tourism and agricultural industries; and by
* investing social services.

Simon Fenby, Senior Adviser to Prime Minister Gusmao, and Kim McGrath from my office, assisted the Prime Minister with the final draft of the plan. It has since been endorsed by the World Bank and the United Nations Development Program, and AusAID and other development partners have aligned their support with the plan. The *Strategic Development Plan* was essentially the platform that the Prime Minister took to the election in July this year. An election he won with an increased majority.

Following the successful and very peaceful elections, the United Nations mission and the ISF have packed up and left. Timor-Leste is now a truly independent sovereign nation.

There are some other Victorian initiatives of which you may not be aware that I want to quickly mention. The two most significant causes of infant and newborn mortality in Timor-Leste – lower respiratory infection and diarrheal disease – are directly related to a lack of water supply and poor sanitation and hygiene. Melbourne Water and Yarra Valley Water helped address this issue head on in Dili by developing sanitation and drainage master plans for Dili. They did this work on a pro bono basis. Most importantly they developed a detailed implementation program that has been adopted by the new Government.

The Balibo House Trust is working with the Timor-Leste Government to restore the old Portuguese Fort at Balibo and establish a hospitality focussed social enterprise that will generate sustainable jobs in the local community.

The Victorian Employers’ Chamber of Commerce - VECCI - has been assisting with the establishment of a professional chamber of commerce in Dili and has led a number of successful trade missions to Timor-Leste. President of VECCI Peter McMullin has recently been appointed Senior International Business Adviser to the Minister for Foreign Affairs of Timor Leste.

It seems there is a limitless amount of goodwill in Australia for the people of Timor –Leste. It is goodwill I suspect tinged with guilt – we let the Timorese down in World War Two when we left them to mercy of the Japanese, we turned a blind eye to the Indonesian invasion in 1975, and we played hard ball in maritime boundary negotiations.

Fortunately, the people of Timor-Leste are very forgiving. And fortunately, grass roots organisations like Rotary Australia are demonstrating, in very practical ways that Australians are willing to give back.

Thank you.