
An Increased Spotlight: Australia in Timor-Leste

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With the departure of United Nations peacekeepers, Australia becomes the largest international presence in Timor-Leste. It does so at not necessarily an easy time: despite the stark development challenges that remain, the government in Dili is tired of outside advice. Australia's past actions over oil and gas in the Timor Sea still cast a shadow over the present. Although Australian aid in Timor-Leste is wide and varied, drawing broad conclusions about its effectiveness and impact is difficult owing to the relative absence of independent evaluations of these programs. Decisions made by each country's leaders can impact detectably upon the bilateral relationship and complicate the work of Australian government personnel in Dili.

After five missions and thirteen years, 2012 was the year in which United Nations (UN) peacekeepers finally packed up and left Timor-Leste. Three rounds of elections were successfully conducted and the Timorese police force, whose reform was the major focus of the last peacekeeping mission, is, according to the judgement of the UN, capable of discharging their own responsibilities.

The conclusion of the UN peacekeeping mission, which had a large development cooperation component, means that Australia is now the largest international presence in Timor-Leste. Australia assumes the mantle as Timor-Leste's largest aid donor at a time when, paradoxically, the leadership in the island nation seems to think it is in less urgent need of international assistance. Riding on top of revenue rolling in from oil and gas reserves in the Timor Sea, Prime Minister Xanana Gusmao's coalition government strikes a profoundly nationalistic tone, rhetorically eschewing international assistance in favour of a more go-it-alone strategy. By way of example, the government politely but firmly declined the option of a follow-on UN mission, meaning that, for the first time in nearly fifteen years, Timor-Leste will no longer be a country considered in the UN Security Council.¹ This approach—that Timor-Leste's problems are Timor-Leste's to resolve—is echoed by the country's new President, Taur Matan Ruak, a straight-talking former chief of the army who does not stint from pointing out the challenges faced by Timorese leaders.

¹ United Nations Security Council Document S/2012/736, 'Letter dated 2 October 2012 from the Permanent Representative of Timor-Leste to the United Nations addressed to the Secretary-General'. United Nations agencies, funds and programs will continue their work in Timor-Leste following the departure of the peacekeeping mission.

This article is divided into four sections. The first begins by examining the ghosts of the past. In a country where, even more than most, history is part of the fabric of the politics of the present, Australia's past engagements in and over the territory taint efforts in the here and now. The ongoing wrangle over resource fields in the Timor Sea, which forms part of this history, complicates matters still further. The second section sketches the current politico-economic context and suggests that it is not a particularly amenable one for a donor such as Australia to be operating in. After nearly a decade and a half of sustained international assistance, the Timorese have had their fill of donors and, brimming with the confidence that money brings, are determined to go it alone as much as possible. In recent years, the government has unabashedly ripped into foreign organisations, particularly the UN. The third section examines Australia's aid contribution against the backdrop of the Timorese Government receiving increased revenues, but still facing urgent development challenges. Assessing the effective impact of that contribution is relatively difficult given that by no means all of Australia's programs have been independently evaluated. The fourth and final section shows that, generally speaking, there is relative lack of interest in Canberra in terms of goings on in their northern neighbour. In some ways this is a back-handed compliment: previously, Timor-Leste tended to only garner attention when things went wrong, or when it becomes a factor in domestic Australian politics, as it did when it was mooted as the potential location for an asylum processing centre.

Arafura Ghosts

As Australian officials in Dili are sometimes pointedly reminded, their country has form in Timor-Leste. Perhaps the most undisguised instance of how the past rankles and still impacts the present came in early 2010, during the Timor-Leste and Development Partners Meeting, an annual donor conference held in the capital. The tone of these meetings is, for the most part, earnest and bureaucratic with donor speeches lauding prior achievements and Timorese government representatives presenting equally rosy accounts of unalloyed progress. Few Australian representatives at the 2010 conference are ever likely to forget the tirade delivered by the Timor-Leste Prime Minister, Xanana Gusmao. He used the opportunity to flay Australia for being responsible for the deaths of up to 60,000 Timorese during the Second World War, looking the other way during the Indonesian invasion of his country and then "adding insult to injury" by concluding an agreement with Indonesia to share wealth from the Timor Sea.² Although it was new to many in the audience, this was not a one-off spray. During a nationwide tour in the previous months where the Prime Minister was touting his twenty-year development plan, he made repeated comments about Australia's past behaviour. The Australian Government did not respond

² Lindsay Murdoch, 'Gusmao Lashes Australia for Duplicity', *Sydney Morning Herald*, 9 April 2010.

publicly to this raft of allegations. Gusmao seems to have calculated that Australia will not kick up a fuss and bite back. Timorese aggressiveness towards Australia is in marked contrast to the much more deferential political stance to Indonesia, for instance.

With regard to the Second World War, there seems some consensus that Gusmao's history lesson is grounded in bitter truth. Historians argue that the arrival of Australian commandoes in neutral Portuguese Timor during the early 1940s served not to becalm a situation but to incite one.³ The arrival of Australian diggers in Dili is considered to have been a trigger for the subsequent Japanese invasion. When Australian troops withdrew, many of the Timorese who provided them material support were on the receiving end of brutal treatment. Royal Australian Air Force (RAAF) planes carpet bombed Dili just before the war ended, leaving only a handful of buildings still standing.

Following the armistice with Japan, Australian engagement was relatively slight. A consulate opened shortly after the armistice but was closed down only a few years later in a round of budgetary cuts.⁴ The Portuguese colony would receive comparatively little attention from Canberra over the next thirty years. The majority of Australians who visited were either honeymooning couples from the Northern Territory or, in the sixties and seventies, hippies looking for one last adventure before returning home (Nobel Peace Prize winner and former President Jose Ramos-Horta has claimed that he perfected his English by selling picture postcards and other trinkets to these young visitors during the late 1960s). These travellers caused so much consternation among the Portuguese colonial authorities that an official travelled to Darwin to warn that no more "counter-culture" Australians were welcome in Dili.⁵

However, it is Australia's actions (or, as accurately, inactions) during 1974 and 1975 which reverberate decades on. In the context of a chaotic Portuguese decolonisation and violent divisions among Timorese parties as to the future direction of the territory, representatives of the Frente Revolucionária do Timor-Leste Independente (FRETILIN) declared independence from Portugal in November 1975. Timorese self-government was short-lived, as Indonesian forces invaded just nine days later. To all intents and purposes, Australia looked the other way when Indonesia was preparing to invade and was the only country to officially recognise Indonesia's annexure of Timor-Leste during the occupation years. In the late 1980s, Australia agreed on a deal to share oil and gas revenues in the Timor Sea. In a now infamous picture, Gareth Evans and Ali Alatas, the foreign

³ Paul Cleary, *The Men Who Came Out Of The Ground: Timor 1942—Australia's First Commandoes* (Sydney: Hachette, 2010).

⁴ Steven Farram, *A Short-Lived Enthusiasm: The Australian Consulate in Portuguese Timor* (Darwin: Charles Darwin University Press, 2010).

⁵ "The Real" Hippies Not Wanted in Timor', *The Northern Territory News*, 14 May 1971.

ministers of Australia and Indonesia flew over the Timor Sea in a government jet to toast the deal. The photo of the two sharing a celebratory drink in the plane is used regularly in the Timorese media to poke Australian government representatives about an incident in the past it would prefer to forget.⁶ One senior official in Dili interviewed likened Australia's aid and development efforts since 1999 as trying to erase the "original sin" of that recognition.⁷

To be sure, Australia has been among the most active of all countries involved in Timor-Leste. An Australian-led International Force for East Timor (INTERFET) restored basic security in the aftermath of the Timorese vote for independence in 1999 and Australia was a key actor in subsequent development and reconstruction efforts. Following a major security crisis in 2006, wherein large parts of the police and military in Dili unravelled and more than 150,000 Timorese were driven from their homes, Australia deployed, in cooperation with New Zealand, an International Stabilisation Force to contain and manage the violence, peacekeepers that will also leave this year.

Yet, in a place where history weighs heavily on today's political discourse, past actions still reverberate. The photo of the two foreign ministers clinking glasses is every bit, if not more, prominent a picture as one of an INTERFET patrol. Negotiations between Canberra and Dili over oil and gas following Timor-Leste's return from the graveyard of nations have been acrimonious. Australian refusal to allow the International Court of Justice to deliberate on the maritime boundary issue rankled especially and, although a treaty was concluded in 2005, the subject of oil and gas remains a major sore point between the two countries, albeit one that figures much more in political rhetoric in Dili than Canberra.

The root of much of the last rancour is a dispute over how to develop the Greater Sunrise gas field that sits in jointly-managed Australian-Timorese waters. The operating company Woodside has stated that a floating platform would be the most profitable option, but Gusmao's government rejects this on the grounds that, if Darwin already has a pipeline from the other shared field, Bayu-Undan, then Timor should have this one. The Timorese Government refuses to approve any development that does not include a pipeline to Timor-Leste, thus potentially derailing the entire project. If a development plan is not approved by early 2013, either country can terminate the existing arrangements, with implications for Timor-Leste, Australia and Woodside, the operator of the field. In the months after the election, the Timorese Government position would seem to have hardened

⁶ For a detailed account of this period see Paul Cleary, *Shakedown: Australia's Grab for Timor Oil* (Sydney: Allen & Unwin, 2007).

⁷ Comments by senior Australian diplomat, Dili, 7 May 2009 in course of interviews for Elisabeth Lothe and Gordon Peake, 'Addressing Symptoms but not Causes: Stabilisation and Humanitarian Action in Timor-Leste', *Disasters*, vol. 34, no. 3 (2010), pp. 427-43.

further still. In a current affairs documentary aired by the ABC, the Prime Minister, senior ministers and a prominent government adviser accused the resource companies of underpaying taxes and categorically rejecting any proposal other than the floating pipeline option.⁸

For the Timorese Government, there is big money at play here. The amount they allege is owed in back taxes, for instance, exceeds the total amount currently given in foreign development assistance per annum. This standoff over the oil and gas fields complicates Australia's development efforts.

The Boom in Dili and the Implications for Australia

Australia may be the largest donor in Timor-Leste but its contribution is dwarfed in relative terms by the size of the budgets at the disposal of the government in Dili. AusAID's annual budget for programming in Timor-Leste in 2012 is A\$78.3 million; by comparison, the Timorese Government's 2012 budget is close to US\$2 billion, over thirty times as much. The Australian aid program in Papua New Guinea may be in a similar position in being monetarily overshadowed by the resource rents now at the disposal of the government in Port Moresby.

The hustle and bustle of the capital is essentially funded out of revenues from the oil and gas reserves in the Timor Sea. Nearly three-quarters of Timor-Leste's Gross National Income comes from oil and gas reserves located under the seabed between its southern coast and Australia.

The Timorese Government has ambitious plans for the country. The goal of the government's glossy Strategic Development Plan is to transform Timor-Leste into an upper-middle income country in less than twenty years. There are plans for seven universities, high-speed internet throughout a land that currently has intermittent electricity, food supply exceeding demand, a universal social security system, an extensive network of land and marine national parks, a national ring-road and a law regulating almost every conceivable practice and behaviour. National self-confidence is high with the Finance Minister, Emilia Pires, likening the tiny nation to an Asian economic powerhouse. A few years ago, she told the travel and lifestyle magazine *Monocle*, "If the first decade of the 21st century was dominated by China then I feel the second decade will be for Timor-Leste".⁹

Money in the bank brings self-confidence and reluctance to be advised by others, particularly when that advice may be construed as being contrary or changing the government's direction. The Prime Minister regularly invokes the slogan "*ita mos bele*", (we also can) as a way of indicating self-reliance.

⁸ Four Corners, 'Taxing Times in East Timor', ABC, 2 October 2012, <<http://www.abc.net.au/4corners/stories/2012/09/27/3599022.htm>> [Accessed 30 October 2012].

⁹ 'Q & A with Emilia Pires', *Monocle*, vol. 5, no. 41 (March 2011).

Within the context of more than 400 years of colonialism, occupation and after more than a decade of international advice, the simple fact is that the Timorese Government feels it is time to run its own affairs, unencumbered by foreigners poking their noses around and venturing opinions. This is not necessarily an amenable environment for an aid program. The government's approach may also be seen also as a belated reaction to top-down approach of the international presence over the years, particularly in the early part of the last decade.¹⁰

To the contrary, as a range of international organisations and donors have found, especially over the last five years, Timor-Leste can be at times a downright unreceptive place. In recent years, the Timorese Government has resisted perceived outside criticism in extremely adamant and belligerent terms. Government press releases trenchantly refute commentary, reports and opinions of foreign individuals and organisations about development challenges in Timor-Leste. In 2011, for example, the government went from being privately dismissive about the UN peacekeeping mission to outright condemning it. Government opprobrium rained down on the UN following the leak of a draft power point slide that seemed to suggest that the Prime Minister was expanding his powers at the expense of other institutions. The Prime Minister publicly dressed down UN staff, accusing them of hoping for misery in the country in order to prolong their tenure. He also got stuck into the Timorese staff working for the UN and accused them of being afflicted with "mental colonialism".¹¹ In a memorable turn of phrase, the Secretary of State-Defence likened the UN to a "blind cow".¹² The incident is also worth recalling because of the eventual response of the UN. Even though the centralising tendencies of the Prime Minister had been referenced, albeit in more careful terms in previous UN reports, the mission leadership in Dili chose to apologise rather than take on the issue.¹³ Indeed, the reluctance of the UN to use what leverage it had in terms of questioning strategic and operational decisions made by the Timorese Government, or even to stand up for itself, has been a general feature of the current mission. Therefore, development donors dealing with a suddenly affluent government are in somewhat of a no-win situation. Foreigners are deemed unessential, but at the same time remain lightning rods for attention and opprobrium.

The government's swollen coffers and optimistic rhetoric should also not obscure that more systemic and deep-seated challenges remain. Dili is a much more hopeful place today than the fearful shuttered city that it was less than five years ago. However, beyond the tarmac roads of the capital, many problems are manifest. According to UNICEF and the World Bank, child

¹⁰ I thank the anonymous reviewer of an earlier draft of this article for this insight.

¹¹ Lindsay Murdoch, 'Gusmao Tells UN Time to Leave', *The Age*, 20 May 2011.

¹² Julio Tomas Pinto, 'UNMIT Mission: Development or Destruction?', *Tempo Semanal*, 7 June 2011.

¹³ Gordon Peake, 'Timor-Leste Declares Open Season on the UN', *The Lowy Interpreter*, 7 June 2011.

malnutrition rates in Timor-Leste are 54 per cent, one of the world's highest.¹⁴ The country is reportedly on track to meet only a few of the Millennium Development Goals (the government disputes this). The IMF has warned about high levels of inflation. During past rainy seasons, many roads were impassable, despite sizable amounts of the government budget having been spent on improving infrastructure. A lot may have been done but there is much more still to do. The scale of these challenges was summarised in the address to new government ministers by Timorese President, Taur Matan Ruak. His words were unsparing, redolent of the words sometimes used behind closed doors by development donors but never publicly uttered for fear of causing offence. He told the new ministerial line-up:

We see very low levels of income, a fragile economic fabric, high external dependence, low levels of infrastructure, unbalanced regional development, with unruly urban growth and large differences among cities and with rural areas, low levels of wellbeing, a weak administrative structure and low technical and scientific development.¹⁵

It was a sobering statement, revealing of the development challenges that remain.

The Practical Difficulty of Assessing Australia's Aid Contribution

Australia provides a wide and varied range of assistance to Timor-Leste. Programs in health, education, justice, governance, water and sanitation, agriculture, police and defence have been long running, some for nearly a decade. Endeavours to build roads and tackle the sky high rates of violence against women are scheduled to get underway in 2013. Most programs are implemented under the AusAID banner, except for policing and defence assistance, which is managed, respectively, by the Australian Federal Police and Australian Defence Force. Australia also provides substantial financial support to the development endeavours of the World Bank and various UN agencies, funds and programs working in Timor-Leste.

Whether these efforts are contributing to their intended goals is hard to know. Only a few of these programs appear to have been independently evaluated and so it is hard to derive definite judgements about their effectiveness, efficiency, sustainability and impact.¹⁶ The last independent

¹⁴ World Bank, 'Nutrition at a Glance: Timor-Leste', <<http://siteresources.worldbank.org/NUTRITION/Resources/281846-1271963823772/TimorLeste.pdf>> [Accessed 30 October 2012].

¹⁵ As quoted in Sue Ingram, 'Will Timor's Development Challenges Push a Close Political Marriage Down the Path of Executive Cohabitation?', *Development Policy Blog*, 5 September 2012, www.devpolicy.org [Accessed 30 October 2012].

¹⁶ The AusAID website is a relatively comprehensive source of background information, data and programmatic documentation. By comparison there is little more than a few sentences on

review of an Australian aid program in Timor-Leste to have made it to the AusAID website took place over three years ago.¹⁷ Alternate sources of data such as the occasional press release are not valid and verifiable evidence as to whether Australian programming is having its intended impact.

One element does seem clear. To make these programs work requires engagement from senior levels of the Timorese leadership, which has sometimes been lacking. The Timorese Government is adamant that it wants to pursue reform initiatives on its own terms and has often been cool on substantive political engagement with Australian aid programs. For example, the former Minister of Justice, Lucia Lobato, did not find time in her schedule to have a single meeting in the last two years of her tenure with the Australian Timor Justice Facility Program, even though that program was a \$20 million plus investment into Timorese justice institutions. The new money has also made ministers and influential civil servants in the Timorese state less amenable to receiving outside advice. Complaints about government lack of interest are a regular forlorn refrain among advisers and aid workers based in Dili, including those funded by Australia. The accuracy of these trenchant snipes is hard to verify, all the more so because they are not relayed in official reports and commentary, but speak, in at least some way, to a generalised sense of frustration about the effectiveness, efficiency and impact of many aid endeavours, including those of Australia.

Because of the relative absence of independent assessment reports it is also hard to know the extent to which Australia construes its role as being to question the strategic and operational decisions of its Timorese Government partner. Although not alighting on Australia in particular, a number of Timorese NGOs have questioned whether the extensive training and capacity building endeavours of multilateral institutions and foreign donors have had any discernible difference in altering behaviour. For example, Australia contributed a significant amount of resources to the security forces over the last decade, but neither the national police nor the military appear to be epitomes of best-practice. This is despite the fact that, between 2008 and 2010 the budget of the approximately forty person Australian Federal Police Program was about the same as that of the entire 3000 plus member Timorese police force. There is also a trend of paramilitarism (with a marked fetish towards heavy weapons), convoluted and confusing legislation, impunity, heavy-handed approaches to public order and a marked lack of accountability amongst the Timorese police. These effects have been exacerbated by the fact that Timorese authorities seem reluctant

the police and military assistance programs, implemented by the Australian Federal Police and Australian Defence Force respectively, on each organisation's website.

¹⁷ AusAid, East Timor publications, <[http://www.ausaid.gov.au/Publications/Pages/List.aspx?Country=East Timor](http://www.ausaid.gov.au/Publications/Pages/List.aspx?Country=East%20Timor)> [Accessed 30 October 2012].

to sanction their officers.¹⁸ Since the police force was formed in 2000, just a handful of internal investigation cases have resulted in dismissals.¹⁹ With the UN police readying to leave after the election, the Timorese police ordered ten armoured tanks of questionable practicality. Given the lamentable state of the roads, it is doubtful whether any of these vehicles will be able to traverse anywhere but a few boulevards in Dili. The army, although having been restored to pre-2006 crisis operating standards seems still to be struggling for a role, and equally preoccupied with buying showy but impractical kit, such as helicopters.

Going by the descriptions of the programs that are available, many Australian programs concentrate on building the individual and institutional capacity of civil servants and their ministries and agencies. This more technical-focused and non-concrete form of aid assistance competes with the free-and-easy quality of aid from other donors, most particularly China. Whereas Australian aid has for the most part consisted of delivering relatively intangible capacity building (which, by its very nature, is a tacit reproach of the current means of doing business), other donors' contributions are more visible and come, ostensibly, unconditionally. For example, China has built grandiose ministries and the garish new presidential palace in Dili, leading observers to speculate on ulterior motives, and the implications for Timor-Leste's relations with its neighbours, including Australia.²⁰

No News is Good News?

Many Australians have some connection with Timor-Leste. Dedicated advocacy over many years by Australians is, among other elements, credited with causing a reversal in official Australian Government positions. Large numbers of friendship groups forge people-to-people connections between Australian and Timorese towns and there are almost weekly reports

¹⁸ The reports of Timorese NGO *Fundasaun Mahein* (Guardian Foundation) which monitors the security sector are available at <www.fundasaunmahein.org> (Most reports are in Tetun with English summaries).

¹⁹ Many of the Timorese police named in the UN Independent Commission of Inquiry into the crisis of 2006 remain in their jobs. In late 2010, the government decided to 'certify' all officers with outstanding allegations against them, including murder and serious assault. This made a mockery of the original intention of the certification process, which was to restore the credibility of the Timorese police after its collapse in 2006. The decision brought opprobrium from the UN Secretary-General and member states, but had little impact on the ground. Notwithstanding the cases already dismissed, there are over 1425 disciplinary cases—an average of one for every 2.5 police officers—still to be addressed.

²⁰ Nuno Canas Mendes, 'The Dragon and the Crocodile: Chinese Interests in East Timor', *Portuguese Journal of International Affairs*, no. 1 (2009), pp. 3-11; Loro Horta, 'The Eagle and the Dragon in the Land of Sandalwood: US and China Build Soft Power in Timor-Leste', *Centre for Strategic and International Studies*, PacNet No. 23 (2011).

of goodwill visits being undertaken by Australians.²¹ Timor-Leste is also being marketed as a destination for tourists and travellers.

Attention from senior members in the Australian Government about goings on in Timor-Leste is, for the most part, relatively slight. Like many countries in Australia's near abroad, Timor-Leste tends to attract interest from the highest political echelons in Canberra when something goes wrong, such as it did during the 2006 crisis or 2008 assassination attempts on the President and Prime Minister, in which cases Australia responds rapidly.²² At other times, there is little attention and ministerial visits from Canberra tend to be relatively pro-forma. When Timor-Leste does figure in terms of Australian diplomacy it is as backdrop for wider Australian foreign policy interests. Ministers extolled frequently the contributions of Australia in the country's campaign for membership of the Security Council, while pictures of Timor-Leste featured prominently in the glossy brochures and reports accompanying the bid.²³

One interpretation of this relative absence of attention is a positive one: the relationship between the two countries is normalising. However, the only occasion when Timor-Leste did enter the Australian political consciousness since the assassination attempts against the country's leaders in 2008 would suggest that the Australian Government does not view its relationship with its near neighbour in entirely 'normal' terms. Less than two months prior to 2010 parliamentary elections, and shortly after acceding to the premiership, Prime Minister Gillard floated a proposal to house asylum seekers in Timor-Leste. The announcement came as a surprise: her only contact with Timorese authorities on the plan prior to the announcement consisted of one phone call with President Jose Ramos Horta. There did not seem to have been any consultation with relevant departments or calculation as to how the proposal would impact on Australia's diverse aid programs in Timor-Leste. Opposition politicians in Canberra decried the announcement as a pre-election gimmick and exemplar of the new leader's bumbling diplomacy. Constitutionally speaking, Ramos-Horta was not even the correct person

²¹ The East Timor Action Network (ETAN) website, a repository of all reports in English related to Timor-Leste, regularly reference local Australian newspaper reports of good works undertaken by Australians in Timor-Leste.

²² Sometimes these rapid responses are more useful in terms of political symbolism than practical effect. For example, in the wake of the 2008 assassination attempts, Australian Prime Minister Kevin Rudd dispatched an additional team of seventy Australian Federal Police officers to Dili. Uncertainty over their legal status prevented them operating in country immediately following arrival. Although Australian and Timorese authorities eventually reached a resolution on this issue, the officers were never deployed in any capacity. After spending a few months idling around an Australian army base and the coffee shops of Dili, they were withdrawn.

²³ See for example, *Partnering for Peace: Australia's Peacekeeping and Peacebuilding Experiences in the Autonomous Region of Bougainville in Papua New Guinea and in Solomon Islands and Timor-Leste* (Canberra: Australian Civil-Military Centre for Excellence, 2012). For a critical perspective see Jeni Whalan, 'Good to Have a Seat at the Table', *Canberra Times*, 20 October 2012.

who Prime Minister Gillard should have called. The proposal was also condemned in unequivocal terms by the legislature in Dili; parliamentarians of all stripes grumbled that Australia was quite happy to propose Timor-Leste as a centre for processing refugees, but not oil and gas. After nearly a year of fitful negotiations, the proposal was quietly dropped. The whole incident appeared to capture the sense that senior members of the Australian Government seem to view Timor-Leste as either a dumping ground for its problems, or as a friendly state that would readily accede to its requests. A self-confident Timorese Government would probably shrink back from either characterisation.

Conclusion

Australia's entangled historical relationship with its near neighbour is made all the more mercurial by occasional politicking for domestic audiences in both countries. A combination of a complicated history and a present context where the Timorese officials appear ostensibly resistant to advice creates a tricky environment for Australia to achieve its stated development aims.

In all likelihood, Canberra will continue to loom larger in rhetoric from Dili than the other way around. Timor-Leste is, for the most part, not a country high on Australia's watch-list. The UN's departure in and of itself is unlikely to change that. However, the absence of the UN peacekeepers does mean that Australia's aid contribution is now much more prominent than before. Add the ever-emotive issue of oil and gas into the field and the potential for a more trying assignment for Australian diplomats and aid bureaucrats over the term of this government than perhaps officials faced during the tenure of the last.

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