



SPOKESPERSON V CONSTITUTIONAL GOVERNMENT



**MEDIA
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Resource management in Timor-Leste

Over the past week there has been much media attention following ABC's Four Corners program on the oil and gas sector in Timor-Leste. Since 2007, The Government of Timor-Leste has aspired to create full transparency regarding the petroleum sector. As part of the Statebuilding process, the Government has established best practice systems to enhance confidence in the way business is conducted, especially in the context of a developing nation. While the State has respected investor privacy, court documents are public record and therefore remain open to public and media scrutiny.

Timor-Leste has put a high premium on building and strengthening the institutions of the State. Resource management, including enacting the required laws and legislation, and the transparent management of public finances, is a core and central responsibility of the State. The State has taken extreme measures in order to establish transparent and accountable systems on all fiscal affairs, including both domestic and petroleum revenues, by vastly increasing the capabilities and apparatus of institutions to prudently and transparently manage the resources and revenue of the nation.

The Government has invested heavily in establishing the necessary regulatory bodies including the National Petroleum Authority (ANP), as well as commissioning world-renowned companies in the petroleum sector to build volumes of research and analysis required for the Timorese authorities to make assessments on future resource development.

With Quarterly publications on petroleum revenue, being the first in Asia and third world wide to be EITI compliant (Extractive Industry Transparency Initiative), and by establishing the Timor-Leste Transparency Model - the value chain from extraction to expenditure including budget execution, budget expenditure, procurement, aid and results is open to public scrutiny. The newly established transparency portals, lauded as the most comprehensive in both the developed and developing world, allow public involvement and daily analysis. Transparency initiatives have been the hallmark of the IV and now the V Constitutional Government and have been a critical factor in gaining confidence amongst citizens, development partners and investors. All measures have been part of the Statebuilding process.



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It is the mandate of every Government to pursue the obligatory requirements legislated by the State in collection of revenues. All partners and investors are now accountable to the same transparent standards and applicable legislation. This issue is a non-partisan technical issue requiring a high level of transparency, accountability and mutual best practice governance.

Thus far, the majority of international and domestic partners have acted in good faith in and in accordance with the laws of the State. Domestic revenues have increased by 30% with additional increased compliance by International partners.

Managing public finance through transparent processes in all aspects of revenue collection has allowed the State to accelerate delivery of vital social services to the People, credited as the main conduit to consolidating peace in Timor-Leste. In turn the social, economic and human indicators in Timor-Leste have seen vast improvements as noted by partners including the United Nations, the World Bank, and the International Monetary Fund amongst others.

The Petroleum Fund continues to be one of the most transparent and best managed sovereign wealth funds in the world with the balance increasing from 1.7 billion in 2007 to 11 billion in 2012 despite the yearly estimated out take for budget expenditure. While many challenges remain in Timor-Leste, the Government of Timor-Leste will continue to act within its obligatory and legislative duties in the prudent management of the petroleum sector and will ensure fair and equitable outcomes for the State and its People. **ENDS**



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