



East Timor accuses Australia of spying in gas treaty

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The Abbott Government is facing fresh accusations of spying on a near neighbour and it could cost Australia dearly. The government of Timor Leste - East Timor - believes Australia's overseas spy agency covertly recorded Timorese ministers and officials in Dili in 2004. They say it happened during negotiations over a treaty that governs billions of dollars in gas revenue between the two countries.

Peter Lloyd

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Transcript

MARK COLVIN: The Abbott Government is facing a new accusation of spying on a near neighbour - and this could cost Australia dearly.

The government of Timor Leste - East Timor - believes that Australia's overseas spy agency covertly recorded Timorese ministers and officials in Dili in 2004.

They say it happened during negotiations over a treaty that governs billions of dollars in gas revenue between the two countries.

The Timorese are now disputing that treaty, in part because of the alleged espionage.

Peter Lloyd reports.

PETER LLOYD: After Xanana Gusmao, Agio Pereira is perhaps the most influential man in Timor. He's a key minister and tipped to succeed Gusmao when he steps down as prime minister.

He is the most senior leader to go public with the accusation that Australia spied on Timorese leaders during the negotiations for joint petroleum exploration of the Timor Sea.

According to the Timorese, that means all bets are off. It says the deal on resource sharing is invalid and it's taking its case to a special three-person arbitration panel in the Hague in December.

This is Agio Periera:

AGIO PEREIRA: The acts of espionage, the evidence will be tabled to the international arbitration as well.

The interpretation on international law is that the Vienna Convention for the Law of Treaties expects that countries, nation states, negotiate treaties in good faith and that implies that they're not making use of fraudulent means.

That is to be tested in the international tribunal. We hope that the three judges will ultimately give their opinion as to the merit of these arguments.

PETER LLOYD: Will you present evidence of this espionage?

AGIO PEREIRA: Evidence will be presented because we have two very prestigious professors in international law defending Timor Leste.

PETER LLOYD: I understand that but what I'm asking is: are you presenting evidence of espionage as well?

AGIO PEREIRA: Whatever evidence is necessary to make the case will be presented, yes.

PETER LLOYD: Do you have it?

AGIO PEREIRA: That will be seen at memorial or tabled at the international tribunal. I cannot talk details about it.

PETER LLOYD: If a treaty is procured under a violation of your rights, should it be invalidated?

AGIO PEREIRA: In international law, yes. Applicable to any country.

PETER LLOYD: Agio Periera.

In all, there are three treaties between Australia and Timor over sharing resources that lie between the two nations. One stipulates that neither side can discuss maritime boundaries for half a century - the life of the treaties. That is what Timor wants overturned.

It wants a sea boundary half-way to Australia. If it succeeds, it can then lay claim to more of the vast reserves of oil and gas under the Timor Sea. At stake is billions of dollars.

AGIO PEREIRA: That will give certainty and a lot more longer-term chance for Timor Leste to reach sustainable development by accessing to its natural resources that rightly belong to Timor Leste as far as sovereignty is concerned.

PETER LLOYD: How much difference will it make, sir, between what you currently have and if you

win that case, how much more will Timor get?

AGIO PEREIRA: Well, first our defence force will know what borders Timor Leste has in the Timor Sea so that they know what to defend.

And, secondly, Timor Leste by having permanent borders will definitely give a better chance to deal with multinational resource companies and give their investment more security.

PETER LLOYD: Timor could have simply cancelled the resource sharing treaties. It had the right. But it seems the calculation in Dili was that arbitration, not confrontation, is the better option.

I asked Agio Periera why?

AGIO PEREIRA: Well, international arbitration will interpret the laws better and we value the relationship with Australia and we hope that in a neutral way where very highly respected experts, both at the arbitrators side and counsels side of Australia-Timor, we can reach a very, very strong outcome in terms of interpretation of international law.

PETER LLOYD: Were you worried that cancellation of the treaty may have been seen as a hostile act to a friendly neighbour?

AGIO PEREIRA: Timor Leste sees that the option is open but Timor Leste sees that arbitration is also an option. So we take arbitration, seeing as Australia didn't want to dialogue in terms of substance in what East Timor sees as real issues to resolve.

PETER LLOYD: So in some senses, the relationship, the larger relationship is more important than having a confrontation, if you like, over this issue?

AGIO PEREIRA: Yes. Timor Leste values the relationship with Australia. In fact, it's one of the strongest relationships: Australia and Timor Leste, and Timor Leste-Indonesia.

We value for strategic reasons and we also value because at peoples-to-peoples level, the relationship is very strong. We value all this and we think these are assets that we should protect.

International arbitration tribunal will give us expert opinion on how both sides should interpret the laws and that will be a plus.

MARK COLVIN: The Timorese senior minister, Agio Pereira, speaking to Peter Lloyd.

Alexander Downer was foreign minister at the time of alleged bugging of Timorese officials. He declined to comment to PM today.