

Australia and East Timor restart talks on maritime boundary

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East Timor's parliament has authorised the "immediate commencement of negotiations" with Australia to establish a new maritime boundary between the countries.

The resolution, passed on Friday in a session of the legislature held behind closed doors, comes as Fairfax Media has learned that the two countries have already begun talks on a framework for negotiations on the boundary dispute.

The maritime boundary has been a constant source of conflict between Australia and East Timor, amid revelations of Australian spying on its northern neighbour and claims the future of the fledgling state has been jeopardised by Australia's stance.

Negotiated when Indonesia occupied East Timor, the boundary lies much closer to East Timor than Australia, placing the lucrative oil and gas fields in the Timor Sea largely within Australian territory.

A boundary equidistant between the two countries - as is the norm under international law - would result in most of the oil and gas reserves, worth more than \$40 billion, lying within East Timor's territory.

According to the resolution passed on Friday, obtained by Fairfax Media, the parliament resolved to "support and accept the immediate commencement of negotiations" with Australia "for the purpose of establishing the definitive maritime border" between the two countries.

It also endorsed the creation of a "council for the final delimitation of maritime boundaries", which will include current and former prime ministers and presidents.

According to multiple sources with knowledge of the matter, meetings between Australian and Timorese officials have already been held to discuss a "framework for negotiations to deal with the boundary issue". The talks were characterised as "very preliminary".

Attorney-General George Brandis did not respond to requests for comment before deadline. He has recently expressed support for the validity of Australia's position on the maritime boundary, noting it was based on Australia's continental shelf, which extends close to East Timor.

Since East Timor's independence, it has negotiated two treaties with Australia dividing the resources in the Timor Sea. But both treaties are technically temporary arrangements pending final negotiations over the maritime boundary.

East Timor argues the treaties - ratified in 2002 and 2007 - were negotiated at a time when it was extremely weak and grappling with security problems. At the time, the country had no significant source of revenue.

The treaties paved the way for the development of the Bayu-Undan gas and oil reserves, which now contribute almost 90 per cent of Timor's revenue.

Recent revelations that Australian Secret Intelligence Service operatives had bugged East Timor's government offices during negotiations for the second treaty have further soured relations.

The spying underpins East Timor's decision to take Australia to the International Court of Justice and to an international arbitral panel in The Hague to contest the validity of the treaty.

The new talks on the boundary came after both countries agreed to suspend legal and arbitration proceedings for six months.

This comes as East Timor's legislature passed another resolution on Friday to sack all foreigners working in its judicial system, including judges, advisers to the prosecutor-general and secondees to its anti-corruption commission.

East Timor has lost a number of tax cases against resource companies and believes incompetence and possible corruption are behind the adverse tax decisions, among many others.

The resolution means the tax cases will have to be re-heard.

But observers criticised the move, saying it would damage perceptions of judicial independence.

"What this resolution says is that if [the government] doesn't like the decisions of the judges, you just have to sack them," one Dili-based observer said.

Multinational oil giant Conoco Phillips - which is embroiled in several tax disputes with East Timor - said the resolution "undermines the independence and impartiality of the Timorese court system".

"It calls into question Timor-Leste's commitment to the rule of law, and may cause long-term harm to Timor-Leste's economy as businesses cannot be confident they will be treated fairly," said the company's Australia-West president, Todd Creeger.

This story was found at: <http://www.brisbanetimes.com.au/federal-politics/political-news/australia-and-east-timor-restart-talks-on-maritime-boundary-20141027-11ckhb.html>