



Australia, East Timor in gas pipeline row

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Australia will vigorously defend legal action initiated by East Timor over Australia's right to tax a oil and gas pipeline to Darwin from the Bayu Undan gas field, say senior ministers.

Foreign Minister Julie Bishop and Attorney-General George Brandis issued a statement on Friday saying the treaty covering the project states the jurisdiction depends on where the pipeline lands.

But East Timor says the countries are in dispute over the interpretation of a section of the treaty and its government disagrees with Australia's assertion that it has absolute and exclusive jurisdictional rights over the entire length of the pipeline, including into the joint petroleum development area.

"Australia's claim would deny Timor-Leste any jurisdictional rights relating to this pipeline or activities relating to this pipeline," a spokesman said.

"This is inconsistent with the text and purpose of the treaty and is not supported by any negotiating or other documents that have been brought to light."

The spokesman said efforts to discuss the matter had come to nothing.

"Timor-Leste remains willing to resolve the dispute directly with Australia," he said.

