

Conciliation between Australia and Timor-Leste

Articles and op-ed

H.E Julie Bishop MP, Foreign Minister of Australia

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On Monday, Australia made its opening statement to the Conciliation Commission in a case initiated by Timor-Leste over maritime boundaries in the Timor Sea. As with all disagreements with respect to boundaries, emotions tend to run high with a lot at stake in terms of resources and national pride.

It is important to consider the merits of relevant arguments logically and not allow emotion to overwhelm the key principles in play: that of adherence to international law - including the UN Convention on the Law of the Sea (UNCLOS) - and fairness to all sides. Australia's position advances both these principles.

To understand why this is so, history and context is required.

In the years after Timor-Leste independence in 2002, and most recently in 2004, Australia and Timor-Leste sought to negotiate permanent maritime boundaries, but without success. As an alternative to an unproductive stalemate, both countries agreed on the Certain Maritime Arrangements in the Timor Sea (CMATS) to enable joint development of seabed resources, in particular the Greater Sunrise field.

A crucial element of CMATS is that the agreement placed a fifty year moratorium on negotiating definitive maritime boundaries so that joint development could get under way. It is the validity of CMATS that Timor-Leste is ultimately seeking to annul.

There are several things to note about Australia's determination to preserve existing treaties with Timor-Leste.

First, UNCLOS explicitly encourages countries to negotiate such agreements in coming to a practical resolution that benefits both sides as Timor-Leste and Australia have done. We set aside our sovereignty claims in favour of joint resource development. It is a practical way of working together to overcome difficult disputes.

Indeed, the arrangements between Timor-Leste and Australia are widely cited as international best practice in this context. CMATS represents a legally binding agreement which both sides have adhered to since it was signed in 2006. The point is that Australia takes its treaty obligations seriously and wanting to abide by these agreements is a firm expression of respect and regard for international law.

The second issue is that of fairness. Under current arrangements, Timor-Leste receives 90 per cent of the revenues from the Joint Petroleum Development Area (JPDA) despite that area being claimed by both countries. CMATS provides for an even split between Australia and Timor-Leste from the Greater Sunrise field, despite 80 per cent of the disputed area lying in an area of exclusive Australian seabed jurisdiction.

Australia made these concessions due to the enormous challenges faced by not just the newest country in the world when it achieved independence in 2002 but also the poorest nation in Asia on a per capita basis.

It was Timor-Leste that initially proposed the solution embodied by CMATS, including the moratorium on maritime boundary negotiations - and it was sound reasoning. The necessary large-scale investment by petroleum firms would not have occurred without the stability guaranteed by the treaties.

Since then, Timor-Leste has made admirable gains in poverty reduction. It has done so largely on the back of oil and gas profits which account for about 95 per cent of government revenue. The

profits from JPDA have allowed Timor-Leste to accumulate a Petroleum Fund in excess of \$16 billion which is more than eight times its annual GDP according to World Bank figures.

Not surprisingly, Dili has until recently been a strong supporter of the Timor Sea treaties.

Australia is participating in two arbitrations initiated by Timor-Leste and will abide by the decisions of the arbitrators – just as we have called on the Philippines and China to do the same in the South China Sea. We are also participating in the current non-binding conciliation process in good faith, and in full accordance with our legal obligations.

We are convinced that current arrangements are the best way to manage resources in the Timor Sea well into the future. It will offer petroleum firms the certainty they need to invest further and maximise revenues for both countries.

We are also committed to our relationship with Timor-Leste despite differences that friends occasionally have. It is why we have a \$93.7 million overseas development assistance program with Timor-Leste.

Australia will have the opportunity to set out the facts and put our case to the Commission. In the period ahead, we are confident both countries can overcome their differences in the Timor Sea in a manner that is fair to the interests of both countries and in accordance with our obligations under international law.

Want to know more?

Frequently Asked Questions about the Timor Sea - [English](#)

Konsiliaun entre Australia ho Timor-Leste

Artigu husi Ministra Estranjeiru Australia H.E Julie Bishop MP

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Iha Segunda Feira semana ida ne'e, Australia halo nia Deklarasaun Aberatura ba Komisaun Konsiliaun konaba kazu fronteiras maritima iha Tasi Timor ne'ebé rejistu husi Timor-Leste. Ho disakordu barak sobre fronteiras, emosaun dalaruma bele domina liliu iha termus rekursu ho dignidade nasional.

Importante atu konsidera aspetu relevante iha argumentus lojikamente no la uza emosaun atu la bele taka dalan ba principal importante hirak ne'ebé hetan mahon husi lei internasional – no mos Konvensaun ONU Lei ba tasi (UNCLOS)- ne'ebé justu ba parte hotu. Australia sei kaer metin nia pozisaun iha prinsipiu rua ne'e.

Atu bele kumpriente nia razaun sira, importante tebes kumpriente mos istoria no kontestu.

Depois Timor-Leste hetan independensia iha 2002, no foin dadauk iha 2004, Australia ho Timor-Leste iha hanoin atu negocia fronteira maritima ne'ebé permanente, maibe lahetan susesu. No hanesan alternativu ida, nasaun rua konkorda ba aranzamentu ida nebe'é hanaran *Certain Maritime Arrangements in the Timor Sea* (CMATS) atu fo pasu ba dezenvolvimentu junta ba rekursu iha tasi okos, partikularmente iha area *Greater Sunrise* nian.

Elementu importante husi CMATS mak; akordu ne'e hetan adiantu ho komprimisiu ida katak negosiasaun definitivu fronteiras maritime sei hala'o iha tinan lima-nulu oin mai, atu nune'e bele fo fatin ba area produsaununtu dezenvolvimentu. Ida ne'e hanesan fundamentu ida husi akordu CMATS ne'ebé Timor-Leste ikus mai buka atu kansela.

Australia nia determinasaun atu prejerva tratadu ne'ebé ezisti tia ona tanba razaun importante hirak tuir mai ne'e.

Dahuluk, UNCLOS fo dalan momos ba nasaun sira atu halo negosiasaun ba akordu atu hetan rezolusaun ne'ebé pragmatiku hodi fo benefisiu ba nasaun rua ne'e hotu. Timor-Leste ho Australia tau tia iha kotuk nasaun rua ne'e nia soberania atu foka liu ba dalan ba dezvoltimentu rekursu junta nian. Ida ne'e hanesan meius pratiku ida atu servisu hamutuk no hetan solusaun ba difikuldade sira.

Tebes duni katak, iha kontestu ida ne'e matenek nain barak hatutan katak aranjamentu entre Timor-Leste ho Australia maka pratiku internasional ne'ebé diak liu. CMATS mak akordu legal ida ne'ebé kesi metin parte rua ne'e no akordu ne'e asina tia ona iha 2006. Australia kaer metin tratadu nia obrigasaun sira no banati tuir akordu ida ne'e hanesan respeito ba lei internasional nian.

Daruak, maka aspetu justu. Iha akordu atual, Timor-Leste simu porsentu 90 husi rendimentu *Joint Petroleum Development Area* (JPDA) maske Timor-Leste ho Australia deklarara an hanesan nain ba area ida ne'e. CMATS mos fornese distribuisaun igual (50:50) entre Australia ho Timor-Leste husi area *Greater Sunrise* nian, maske porsentu 80 husi area tasi okos ne'e area eksklusivu jurisdisaun Australia nian.

Australia halo konsesasaun ne'e tanba dezafius barak ne'ebé nasaun foun iha mundu ne'e hasoru wainhira hetan independensia iha 2002 no mos hanesan nasaun kiak liu iha Azia bazeia ba per capita.

Timor-Leste mak hahu ho proposta ida hodi buka solusaun ne'ebé hetan mahon husi CMATS, inklui mos ho adiamentu ba negosiasaun fronteira maritima- no ida ne'e razoavel tebes. Investimentu petroliferu nian sei la existe se la garantia ho tratadu akordansia ne'ebé lao tia ona.

Husi ne'e, Timor-Leste hasa'e nia rendimentu no hamenus probeza. Progresu ida ne'e masimu tebes tanba hetan rendimentu husi mina no gas, no fo benefisiu ba guvernu nia reseitas ho total besik porsentu 95. Rendimentu husi JPDA fo dalan ba Timor-Leste atu akumula Fundu Petroliferu no nia exssesu ho osan biliaun \$16, ne'ebé bot liu GDP Timor-Leste nian dala walu tuir Banku Mundial nia figuras.

Laos supreza katak Timor-Leste foin lalais ne'e hanesan suporta ida forte ba Tasi Timor nia akordu sira.

Australia agora dadaun partisipa mos iha arbitrasaun husi Timor-Leste no sei banati tuir desizaun husi prosesu arbitrasaun ne'e –lalaok ne'ebé hanesan ami fo tia ona ba Filipina no mos Xina konaba asunto *South China Sea*. Ami partisipa iha prosesu konsiliaisaun ne'e ho boa fe, no halo tuir obrisaun sira tuir akordansia ne'ebe legal.

Australia mos fiar katak akordu ida ne'e sei sai hanesan akordu diak liu ba manajementu rekursu iha Tasi Timor iha futuru. No sei fo ba kompañia petroliferu sira razaun nebe'e serto no los atu kontinua investe maximu no fo reseitas ba rai rua.

Australia mos kontinua hametin nafatin relasaun ho Timor-Leste maske ho diferensas ne'ebé dalaruma mosu entre kolegas. No tan ne'e ami iha miliaun \$93.7 ba programa asistencia dezvoltimentu ho Timor-Leste.

Australia sei iha oportunidade atu fo faktus no intrega kazu ami nian ba iha Komisaun. Iha pasu oin mai, ami iha konfiansa katak nasaun rua ne'e sei hetan solusan ba diferensia iha Tasi Timor ho maneira ida ne'ebé justu no iha nasaun rua ne'e nia interese no akordansia tuir obrigasaun lei international nian.

Informasaun tan:

Tasi Timor: Respostas ba Perguntas sira - [Tetun](#)