

# Herald Sun

Opinion

## China is watching as Dili rallies against Australia

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East Timorese hold protests against Australia in Dili.

LAST month, 10,000 people marched through the streets of Dili, the capital of Australia's near neighbour, East Timor.

It was a colourful, peaceful protest. But it was the biggest rally since the days of the bloody independence referendum in 1999 — and it was directed at the Australian embassy.

The march, and others around Australia, including in Melbourne, and in Indonesia were aimed at trying to force Australia back to the negotiating table to settle a 40-year dispute over who owns what share of the lucrative oil and gas resources in the sea between Australia and East Timor.

The dispute is causing tensions between the two countries and it is becoming increasingly difficult for Australia to maintain its current position — not for legal reasons, but for moral ones.

In a nutshell, Australia is so far sticking to various treaties signed with East Timor over the past 20-odd

years that divvy up the oil and gas reserves in the Timor Sea.

East Timor, the world's second-youngest nation and one of its poorest, argues that the deals were signed when it was ill-equipped to negotiate because it had only just attained independence from Indonesia and, besides, Australia used espionage as part of its negotiating tactics.

(A former ASIS spy turned whistleblower has detailed how Australia installed listening devices in the East Timorese Cabinet room after offering to rebuild the government offices in Dili during some of the negotiations. When East Timor's lawyer, Bernard Collaery, raised this to argue the maritime boundary negotiations were not in good faith, ASIO raided him and the whistleblower and seized their documents.)

Australia argues that it was very generous to East Timor and that the treaties also provided stability, which allowed the developers to get in and start extracting the resources and paying royalties — \$US16 billion for East Timor and \$US1 billion for Australia, from the joint petroleum areas.

But East Timor wants a permanent deal and the ongoing dispute has spooked the preferred developer, Woodside, which is reluctant to make major capital investment when it doesn't know which government to negotiate with. Australia already has settled 98 per cent of its maritime borders — the only 2 per cent unresolved is that off the northwest corner of Australia and East Timor.

Australia says it is still prepared to negotiate a bilateral agreement, but is unclear what East Timor actually wants. Negotiators believe the real issue is East Timor's desire to show independence from Australia and a determination by former prime minister and president Xanana Gusmao to have natural gas processed in East Timor, whereas the developers would prefer a platform at sea.

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Shadow foreign affairs minister Tanya Plibersek. Picture: John Grainger

Shadow foreign affairs minister Tanya Plibersek has committed Labor to enter negotiations with East Timor to agree to permanent boundaries and to submit us to international arbitration if a deal can't be reached.

Sure, East Timor is a developing nation and its budgeting is not perfect. But it is progressing and now has electricity across most of the country, an improving road network, better schooling, health, sanitation, a fledging taxation system, democratic elections — and its people live mainly in peace.

And because it took the advice of the UN and others, it has invested what oil and gas royalties it has received into a Sovereign Wealth Fund, which currently sits at about \$20 billion. The annual interest it produces funds 90 per cent of East Timor's tiny budget.

WE have a shared history with East Timor, going back to World War II. Under Gough Whitlam we looked the other way when Indonesia invaded the then Portuguese colony in 1975 in a conflict that claimed thousands of lives, including five Australian journalists at Balibo. But to our credit under John Howard, we stared down Indonesia and backed the independence referendum. When pro-Indonesian militia went on a murderous rampage across the country, we were the major contributors to the peacekeeping and development forces that went in to clean up the mess. We are still East Timor's biggest foreign aid donor (almost \$100 million a year) and its major military and law enforcement partner.

Yet not one minister has been to East Timor since the Coalition was elected in September 2013. The previous Labor government's international development minister, Melissa Parke, seems to have been the last ministerial visitor in August 2013.

The last Australian PM to visit was Kevin Rudd in 2008. Foreign affairs minister Julie Bishop went there in opposition in 2013. While she hasn't visited in government, she has met East Timor ministers 14 times and met their PM twice — and obviously knows Gusmao well, as the pair shared a warm hug when they met in the Australian parliament last year.

The other complicating factor is China, which sold two patrol boats to East Timor and won the contracts to develop its electricity supplies. China also built East Timor's department of foreign affairs, the Government Palace, which houses the executive arm of government and the defence barracks. (Some would suggest Australian listening devices are the least of their worries under those circumstances).



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In January, the Chinese navy visited for five days and East Timor literally rolled out the red carpet on the docks; and Chinese sailors and Communist Party officials joined locals for song, dance and sporting matches, as Beijing continues to develop footholds across the Pacific.

Australia has been a benevolent and good neighbour to East Timor for many years. That must continue as East Timor continues on the path to becoming self-sustaining.

The time has come for Australia to continue its moral obligations to our tiny neighbour and negotiate a permanent maritime boundary that allows the bountiful natural resources to be developed in a way that benefits both countries..

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