

A welcome reversal on Timor Gap

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East Timor's plea to the Permanent Court of Arbitration in 2016 to mediate in its dispute with Australia over claims to oil and gas reserves in the Timor Gap has paid its first dividend. It's a significant one, too, with the federal government agreeing to annul the 2006 Treaty on Certain Maritime Arrangements in the Timor Sea, which divided the Greater Sunrise hydrocarbon deposits between the two countries and which put off the question of a negotiating a permanent maritime boundary between the two countries for 50 years.

Australia's public assurance that it is committed to establishing a permanent border (under the guidance of the PCA) means East Timor is likely to secure a bigger share of the Greater Sunrise oil and gas reserves, currently valued at about \$50 billion. In return, the East Timorese government has agreed to drop its espionage case against Australia involving allegations that a Dili cabinet office was bugged by Australian intelligence officers in 2004, around the time CMATS was being negotiated.

Recriminations stemming from the espionage allegations and the apparently one-sided nature of CMATS have resulted in a frosty relationship between the two countries since 2012, something this week's announcement should help correct. Of greater moment, certainly from the perspective of government leaders and officials in Dili, is the prospect that one of the world's poorest nations, can at last look forward to reducing its dependence on foreign aid and perhaps even to securing employment for ordinary East Timorese on infrastructure associated with oil and gas production and shipment.

There are obstacles potentially blocking the realisation of that vision, however, including the possibility that Australia may not expedite settlement of a maritime border. As it stands, that border is closer to East Timor than it is to Australia because the Howard government insisted the boundary follow the line of the continental shelf.

Because seabed boundaries are more usually equidistant between neighbours – and because of its overbearing attitude to poverty-stricken East Timor – Australia may find itself pressured to give ground. However, contiguous with the now unresolved Australia-East Timor maritime boundary is the fully delimited Australia-Indonesia boundary. Since any redrawing of the former will have implications for the latter, a quick or easy resolution seems unlikely.

East Timor's hopes of sharing some of the downstream spoils of expanded Greater Sunrise development may prove illusory, too, since a gas pipeline across the Timor Trough has already been rejected as too expensive. Piping gas to Darwin, or processing it on floating LNG plants, looks a more likely outcome of future development.

The evidence that Australia has wilfully frustrated or delayed East Timorese attempts to exploit offshore oil and gas reserves is compelling. And it invites the question of why the strategy was adopted, as it is clearly in Australia's national interest to have East Timor prosper economically. If the decision to scrap CMATS indicates a change of attitude on Australia's part, it's welcome.

This story was found at: <http://www.canberratimes.com.au/comment/ct-editorial/a-welcome-reversal-on-timor-gap-20170110-gtol40.html>