

# The Guardian

## Treaty confirms Australia profited from Timor-Leste oil and gas, rights groups say

Agreement signed on Wednesday stipulates 'no compensation for past exploitation'



Australia's Julie Bishop (right) with Timor-Leste minister Hermenegildo Augusto Cabral Pereira on 6 March. Photograph: Xinhua / Barcroft Images

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Australia has received billions of dollars in revenue from contested oil and gas fields which a new border treaty officially confirms belonged to Timor-Leste, civil society groups have claimed.

On Wednesday the two nations signed a treaty agreeing a permanent maritime border to close the Timor Gap, and establishing a “special regime” area for the sharing of an untapped, multibillion-dollar gas field in the Timor Sea.

It came at the end of decades of fractious negotiations and disagreements, which included accusations of greed and espionage on the part of Australia.

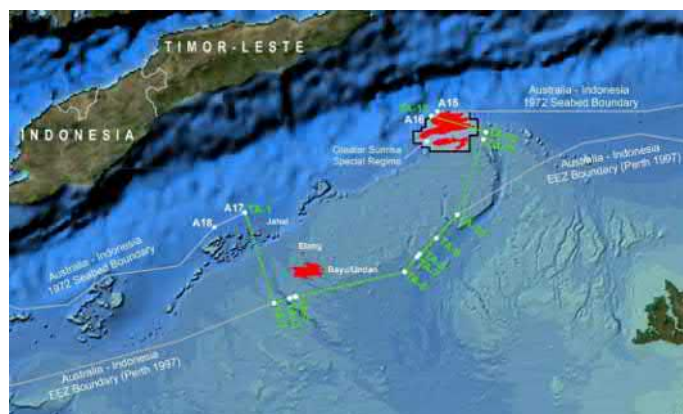
But human rights groups and observers have balked at the treaty’s division of rights and revenue entitlements to Australia which they say belong to Timor-Leste, and at provisions

which stop Timor-Leste seeking compensation.

The treaty delimits a permanent north-south border, and two transitional borders on the east and west.

The eastern transitional border divides Greater Sunrise, and on the west three fields - Buffalo, Bayu Undan and Kitan - are now fully in Timorese territory. The nearly-depleted Laminaria-Corallina remains in Australian waters but could shift.

The treaty suggests the transitional borders will move once Greater Sunrise on the west and Laminaria-Corallina on the east are depleted, and once Timor and Indonesia agree to new borders. What agreement those two nations come to will determine the ownership of the then-depleted fields.



The new Australia-Timor Leste border showing previously disputed oil and gas fields. Photograph: Geoscience Australia

However, the agreement signed at the United Nations on Wednesday stipulates “no compensation for past exploitation”.

L’ao Hamutuk, a Timorese human rights group, published calculations claiming Laminaria-Corallina has produced 203m barrels of oil since it began production in 1999, with more than US\$2.2bn in tax paid to the Australian government.

It estimates Australia received another \$2.4bn in revenue from the other fields.

A Timorese diplomatic source told the Guardian it was unlikely Timor-Leste wanted to push for compensation, because of Australia’s generosity during “difficult times”.

“Because Australia has been so generous with Timor in the past, they will probably not ask for it back, but if Australia wanted to give it to Timor, then that would be nice.”

Spokesman for the Timor Sea Justice Campaign, Tom Clarke, said Australian governments had tried to “short-change the Timorese at every opportunity over the years” and he welcomed the lasting solution found on the boundaries.

“[A] question is will Australia be paying back any revenue it received from smaller fields such as Buffalo when it was unilaterally depleting contested fields that the Timorese have always claimed as theirs?”

“Australia owes Timor billions,” said Kim McGrath, research director of the Steve Bracks AC Timor-Leste Governance Project and an adviser to the Timor-Leste government.

McGrath said Australia had come a long way in working with Timor-Leste, and while she was initially skeptical they would “come to the party” in the untested conciliation process, she had been proved wrong.

“While I’m not convinced Australia is fair or right, and certainly I’d question the morality of Australia still grabbing a piece of Greater Sunrise, it’s still a step forward.”

McGrath said a 2015 decision by the Australian Labor party to officially support negotiations was a “game changer” as it forced the foreign affairs department to prepare for it in the event Labor won the 2016 election.

Bernard Collaery, a lawyer intimately involved in the case, described the treaty as “more of the same” and said a median line boundary was “no victory at all”.

It was something Timor-Leste had already been entitled to under United Nations law of the sea convention since Australia signed it, Collaery said.

“Australia has been a pickpocket in the Timor Sea, shuffling through the poverty-stricken garments of these people for years,” Collaery told Guardian Australia. “And it’s horrible.”

Collaery said former Timor-Leste president Xanana Gusmão, a close friend of his, was “between a rock and a hard place” with his people, and “the next generation of Timorese may not be as tolerant as he’s been”.

Professor Clive Schofield, from Woollongong University’s National Centre for Ocean Resources and Security, disagreed with assessments that a fairly drawn median line would place Greater Sunrise wholly in Timor-Leste territory.

He said the border shifts in the lateral boundaries enshrined in the treaty were “quite innovative” in that they appeared to anticipate the outcome of Timorese-Indonesian negotiations over their borders on either side of the Timor Gap.

“Those arguments around the idea that Timor-Leste’s lateral lines should be much further to the east and west rely on giving less weight to Indonesian territory,” he said.

Once the treaty is enacted into domestic law the two countries will continue negotiations about how to split and develop Greater Sunrise.

A letter from Gusmão to the UN conciliation committee, leaked on Tuesday, accused Australia of colluding with resource companies in pushing for the gas to be piped to Darwin.

He said giving up 10% of the revenue share in return for a Timorese processing plant would bring about \$25bn in downstream revenue to his country.