



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**BILLS**

**Timor Sea Maritime Boundaries Treaty  
Consequential Amendments Bill 2018**

**Second Reading**

**SPEECH**

**Wednesday, 28 November 2018**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Wednesday, 28 November 2018	<b>Source</b> House
<b>Page</b> 6	<b>Proof</b> Yes
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Tehan, Dan, MP	<b>Question No.</b>

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**Mr TEHAN** (Wannon—Minister for Education) (09:32): I move:

That this bill be now read a second time.

The Timor Sea Maritime Boundaries Treaty Consequential Amendments Bill 2018 gives effect to the Treaty between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea. The treaty is a historic achievement for Australia and Timor-Leste, and its implementation is firmly in Australia's national interest.

The Treaty will replace the Timor Sea Treaty between the Government of East Timor and the Government of Australia, which established the Joint Petroleum Development Area, and the Agreement between the Government of Australia and the Government of the Democratic Republic of Timor-Leste relating to the Unitisation of the Sunrise and Troubadour fields.

Through this treaty, Australia and Timor-Leste have settled a long-running dispute over our maritime boundaries, agreed upon a pathway for the development of Greater Sunrise and laid the foundation for a new chapter in our bilateral relations. The treaty also provides for transitional arrangements to deliver stability and certainty for companies with operations in the Timor Sea. This has been done to ensure they can continue under conditions or terms equivalent. The implementation of this obligation is ongoing and further legislation may be required, but the Australian government wants to progress with implementation of this treaty expeditiously and did not want to delay this important bill.

The treaty is a landmark for international law and the rules based order. It was the result of the first ever compulsory conciliation under the 1982 United Nations Convention on the Law of the Sea.

Australia and Timor-Leste demonstrated goodwill and preparedness to compromise during negotiations. The parties, and the independent conciliation commission, recognise the outcome was fair, balanced and consistent with international law.

The bill proposes to give effect to the treaty by repealing the Petroleum (Timor Sea Treaty) Act 2003 and transitioning the area of current joint administration known as the Joint Petroleum Development Area in recognition of Timor-Leste's sovereign jurisdiction.

This bill amends the Seas and Submerged Lands Act 1973 to establish and define the Greater Sunrise Special Regime area as an area over which Australia will exercise its rights as a coastal state jointly with Timor-Leste.

This bill also implements the arrangements for petroleum activities in the joint jurisdiction special regime area as well as for the regulation of petroleum pipelines in areas of foreign continental shelf jurisdiction consistent with the terms of the treaty. The bill further provides for amendments to affected offshore petroleum titles as a consequence of the treaty. Necessary consequential amendments to give effect to all of these elements are also made to other legislation by this bill.

This bill repeals provisions that gave effect to the superseded Timor Sea Treaty and International Unitisation Agreement and amends the scheduled areas for Western Australia, the Northern Territory and the Territory of Ashmore and Cartier Islands affected by the maritime boundary.

This bill provides for two new 'international offshore areas' for the purposes of the Bayu-Undan pipeline corridor and a potential Greater Sunrise pipeline corridor.

This bill alters particular offshore petroleum permits and licences which adjoined the western side of the Joint Petroleum Development Area. The effect is to reflect that part of their Australian title will transition to the continental shelf of Timor-Leste upon entry into force of the treaty.

This bill gives effect to the Greater Sunrise Special Regime area, which mirrors the special regime area established by the Greater Sunrise Special Regime in annex B of the treaty. The purpose of the Greater Sunrise Special Regime is to facilitate the joint development, exploitation and management of petroleum activities in the Greater Sunrise gas fields.

This bill establishes the legal infrastructure required for the regulation of Greater Sunrise to be transitioned to a designated authority that will act on behalf of Australia and Timor-Leste.

This designated authority will, subject to the approval of the governance board for the Greater Sunrise Special Regime, enter into the Greater Sunrise production-sharing contract with the Greater Sunrise contractor. This will be done as soon as practicable and under conditions equivalent to the relevant production-sharing contracts and to the legal rights held under the applicable retention leases currently in place in accordance with article 22 of the Timor Sea Treaty and article 27 of the International Unitisation Agreement.

The bill also maintains and incorporates the Eastern Greater Sunrise offshore area into the Northern Territory offshore area to ensure the Australian retention leases in the Eastern Greater Sunrise offshore area continue uninterrupted during the period between entry into force of the treaty and when the Greater Sunrise production-sharing contract commences. The Offshore Petroleum and Greenhouse Gas Storage Act 2006 will also continue to apply to these retention leases during this period.

Overall, this bill fundamentally demonstrates Australia's commitment to a robust, mutually beneficial, bilateral relationship with Timor-Leste specifically and to international law and the rules based order more generally. This bill lays the foundation for a stronger relationship with Timor-Leste and creates a pathway for the development of Greater Sunrise, the economic benefits of which will be significant, particularly for Timor-Leste.

I commend this bill to the chamber.

Debate adjourned.