Cabinet documents reveal Australia pushed interests of oil and gas corporates before Timor-Leste bugging

Senator Rex Patrick fighting ongoing battle for further release of cabinet documents from 2000

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Newly released cabinet documents reveal Australia was preoccupied with the interests of major oil and gas corporations in the Timor Sea years before it bugged the Timor-Leste government during talks to carve up the crucial underwater resources.

Independent senator Rex Patrick is currently battling for access to archived cabinet documents detailing Australia’s strategy for bartering over the resource-rich Timor Sea with the then soon-to-be independent state of Timor-Leste.

Australia infamously bugged its ally during the negotiations years later, a scandal exposed after Witness K, an intelligence officer, and his lawyer Bernard Collaery helped Timor-Leste mount a case in the international courts.

Patrick is seeking two archived documents, dated 29 August 2000 and 4 September 2000, which would usually have been released after 20 years, like most cabinet records.

But, initially at least, the National Archives of Australia suppressed the documents due to the perceived harm they could cause to relations with “the current government of a foreign country”.

That prompted Patrick to launch a case in the administrative appeals tribunal, which the NAA resisted, even flagging it would seek to have attorney general Michaelia Cash use extraordinary powers to shroud at least part of the proceedings in secrecy.

That changed last week, when the NAA informed Patrick it had decided to release additional parts of the documents to him, prior to any AAT ruling.

The documents, still heavily redacted, show cabinet was concerned that Timor-Leste’s independence process may disrupt access to the oil and gas reserves in the Timor Sea, because Australia’s prior agreement with Indonesia for a 50:50 revenue split would be void.

Cabinet agreed that it should urgently seek to reach an agreement with the United Nations Transitional Administration in East Timor to “avoid a discontinuity, and assure continued exploration and exploitation of the petroleum resources of the Timor Gap”.

“To avoid a legal vacuum and provide commercial certainty for operators in the Timor Gap, negotiations with UNTAET and East Timorese representatives are needed to reach agreement on a replacement treaty for the Timor Gap, which will enter into force at East Timor’s independence,” the submission read.

“Investors will be affected by uncertainties about he legal arrangements that will apply in the Timor Gap after independence. To maintain large-scale investments required for projects that are expected to go into production after 2003, operators require assurances on the rules that will apply.
“Without a smooth transition of the legal arrangements for the Timor Gap, there is a risk that investor confidence will fall away and commercial activity cease, with the result that neither Australia nor East Timor will draw revenue from the area.”

The submission warned of a potential “political sensitivity”. It said critics believed the existing treaty with Indonesia had “failed to deliver benefits to East Timor” and its people.

“All these arguments are contestable but they will undoubtedly re-surface in public discussion of new treaty arrangements,” it said.

The bugging operation took place much later, in 2004, after Timor-Leste’s formal independence.

Timor-Leste expert professor Clinton Fernandes, who works with the University of New South Wales, has seen the documents obtained by Patrick.

Fernandes said Australian officials had misrepresented the attitudes of Timor-Leste’s leaders, who had made it clear repeatedly that their principal interest was in a maritime boundary, not agreeing on revenue shares of oil and gas.

But he said Australia had chased a resource-sharing agreement regardless, instead of seeking to negotiate on the maritime border prior to Timor-Leste’s formal independence.

“This is a striking departure from Australia’s normal policy of settling permanent maritime borders,” Fernandes said. “As such, it is a public policy failure of scandalous proportions, putting the interests of oil and gas corporations above the national interest.”

Patrick said it was “astounding” that it had taken three reviews by the NAA to release more of the material. He accused the government of trying to prevent the “sordid” history of its conduct being disclosed to the public.

“Sadly, the taxpayer will bear the cost of the proceedings to date, which includes the charges levied by the Australian Government Solicitor to represent them, and potentially the AAT application fee,” he said.

“Failing to play a straight bat and continuing to rely on secrecy damages Australia’s international reputation, credibility and very directly damages Australia’s foreign relations, and not just with Timor-Leste and Indonesia.”

The NAA said it could not comment, other than to confirm it had released further information to Patrick.

“As this matter remains before the Administrative Appeals Tribunal, National Archives cannot comment on the costs, or the reasoning for releasing further information,” a spokesperson said.