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CORRECTIONS

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BY AUTHORITY OF THE SENATE

PROOF

**OFFSHORE PETROLEUM AMENDMENT
(GREATER SUNRISE) BILL 2007**
**CUSTOMS TARIFF AMENDMENT (GREATER
SUNRISE) BILL 2007**

Second Reading

Debate resumed from 1 March, on motion by **Senator Coonan**:

That these bills be now read a second time.

Senator STOTT DESPOJA (South Australia) (12.48 pm)—There does not seem to be a large line-up on this non-con Thursday afternoon of people speaking on bills. I will make a few comments on behalf of the Australian Democrats regarding Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 and the Customs Tariff Amendment (Greater Sunrise) Bill 2007. In themselves, these bills are not controversial, and the Australian Democrats will be supporting the legislation. The bills together are intended to put in place uniform arrangements across both the Greater Sunrise field and the Joint Petroleum Development Area to allow developments on the fields to proceed from the Australian side.

The reason I want to remark on this legislation is not because we have a fundamental problem with the legislation before us but because the Australian Democrats, as honourable senators would be aware, have had a longstanding problem with the treaty that these bills are designed to implement. We have spoken out numerous times in support of the relatively newly formed nation of Timor-Leste. We have spoken out against human rights abuses by Indonesian forces that took place in that region during that region's occupation. We spoke out in 2004 against a so-called 'economic occupation', when the government was seeking to cement the arrangements for what we thought was an exceptionally miserly agreement on resource sharing.

The Treaty on Certain Maritime Arrangements in the Timor Sea, as signed, is more generous to Timor-Leste than the original agreement—the one with which we had fundamental problems. As senators would recall, not only was the process of bringing that treaty and the legislation to the parliament for debate hastily done—it was speedily done in an unacceptable way—but the content of that treaty was questionable as well. Under this treaty, the people of Timor-Leste will receive half of the royalties from the Greater Sunrise field, whereas in the earlier proposal Timor-Leste would have only received 18 per cent of the total share. So the Australian Democrats accept that a better deal has been organised. The people of Timor-Leste have gained a better deal in this process. Hopefully, the returns of these resources will help them to rebuild their country and achieve social and economic stability.

What I do not accept is the way the Australian government has behaved on occasions during this process.

We as a nation were instrumental in assisting Timor-Leste to achieve its independence. I have put on record before and acknowledged the good work of this government in playing a fundamental, positive and generous role in that process. The process was not as smooth as was hoped, but that was a really appropriate act on the part of this government. I say that as a member of a political party that from its inception supported the independence of East Timor.

But our generosity as a nation during that process did stand in stark contrast to how we have behaved during some of the negotiations with Timor-Leste on the issue of oil and gas. I have previously described the government as acting as a bully and being penny-pinching in a way that my party and I believe involved pressuring the Timorese delegation to accept a deal that was at times frankly questionable in its legal framework. Indeed, if the maritime boundary between Australia and Timor-Leste had been determined by the conventions of international law, it is argued that the Greater Sunrise field—not to mention some of the other fields that currently lie within the JPDA and from which Australia is already extracting resources—would lie entirely within Timor-Leste's economic zone.

What does it say that our country refused to allow the maritime boundary between Australia and Timor-Leste to be determined by the International Court of Justice? Many people still believe that it looked incredibly suspect that a treaty signed with Timor-Leste prevents them from pursuing any permanent maritime boundary claims for 50 years. What does it say about us as a nation—one of the wealthiest nations per capita in the world, blessed with natural resources as we are and in the midst of a commodity boom—that we would at best drive a hard bargain and at worst cheat the people of Timor-Leste out of the proceeds of these oil and gas fields?

I understand there are many in government and elsewhere who would argue that it is right for Australia to drive a hard bargain to get the best position for our country, that is entirely justifiable on the basis of standing up for the Australian economy and Australian jobs and that it is not in our interest as a nation to miss out on at least some share of the resources. I am not suggesting that we are not entitled to anything, but it is a little short-sighted to go for a blatant defence on the grounds of the Australian economy and Australian jobs. Of course we want to see jobs protected and we want to see our economy grow, but not if it means using standover tactics with one of the world's poorest nations, which is right on our doorstep.

One of the great things about our country is our inherent sense of fairness. Over the past few years, a lot of Australians have expressed their concern over the way the negotiations were handled and, indeed, what resources were made available to the people of Timor-

Leste. We have seen advertisements on TV. There were many public meetings, emails, correspondence, faxes and phone calls from constituents urging the Australian government to play a fairer role to ensure that the people of Timor-Leste did not miss out and to recognise that the people of that country are not blessed with the same natural resources on which to base their economy as we are. Oil and gas revenue is likely to be and indeed is a significant proportion of their national income.

There is no doubt that these resources mean more to that nation than they do to us. As a result of this deal, the government will earn over \$10 billion in upstream revenue over the life of the project. Our own Minister for Finance and Administration, Senator Minchin, put that sum into an Australian context during Senate estimates last month when he waved away concerns about the idea of \$10 billion being spent on the water package over a 10-year period. He said:

... less than half a per cent of Commonwealth government expenditure—let's keep it in perspective ...

Indeed, let us keep it in perspective and recognise the growing needs of that poor nation as opposed to our own. If indeed \$10 billion is a small amount to government—and I am not suggesting that it is—why did we drive such a hard bargain in the first place? Why did we have to damage our collective reputation, particularly among the people of Timor-Leste, for the sake of a relatively small percentage of the government budget?

In recent weeks we have seen just how fragile in many respects the stability in Timor-Leste is. It is largely dependent on the ability of the Timorese government to improve living conditions and job opportunities for their citizens. The more revenue they get from oil and gas, the better the chance those in Timor-Leste have of achieving long-term stability and all of the things that flow from that. I think that a stable Timor-Leste is very much in Australia's national interest.

We could have gifted the royalties from the oil and gas fields in question to the Timorese. It could have been a gift to them to celebrate their independence as well as to recognise that this is a country with fundamental needs and that the stability of that nation does, of course, affect us. We could have done that without setting a precedent that would weaken our position in any future negotiations on maritime borders. If we had gifted those resources, we would arguably be less likely to need to risk our own resources or our people in further missions, such as peacekeeping missions, or other forms of humanitarian assistance or aid in that region. If we had gifted the resources to Timor-Leste, they would need less development aid from us. Just as importantly, if we had gifted them with those resources, we would have further cemented the goodwill

that is felt between the people of Timor-Leste and this country as our result of our assistance in helping them to achieve independence.

We did not do that. Instead, we initially played bully boy and employed penny-pinching tactics. While Timor-Leste is still a good friend to our nation, I believe our role in those negotiations has been a blight on our relationship. The Australian Democrats and I accept and acknowledge that the treaty has now been signed; it is binding and there is little to be gained from delaying the passage of the legislation before us. In fact, the faster this legislation is enacted, the faster the people of Timor-Leste can receive royalties from the development of the fields. I just wish that our government understood that there are benefits to be had from being truly magnanimous in a circumstance such as this, and sometimes I think those benefits are worth more to us as a nation and are more calculable, if you like, than the benefit of money in the pockets of Australians in the sense of putting it into government revenue. We will be supporting the legislation before us, but I remind the Senate of some of the government's actions in relation to the negotiations and the implementation of this treaty. I hope that we will remember the importance of that relationship and not seek to blight it in the future.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (12.59 pm)—These bills, the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 and the Customs Tariff Amendment (Greater Sunrise) Bill 2007, will ensure that the current legislative framework for the Greater Sunrise gas field is maintained once the Offshore Petroleum Act 2006 is proclaimed and the Petroleum (Submerged Lands) Act 1967 is repealed. These bills will complete the framework for the potential development of the Greater Sunrise gas field for the benefit of both Australia and Timor-Leste. I thank senators—especially Senator Stott Despoja—for their support of the bills and commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.