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UN tells Australia and East Timor to resolve spy row



The UN's highest court has postponed a hearing in a spy row between Australia and East Timor so they can pursue an "amicable settlement". The documents relate to a controversial oil and gas treaty between the two countries which East Timor wants torn up.

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The UN's highest court has postponed a hearing in a bitter spy row between Australia and East Timor after both countries said they were pursuing an "amicable settlement."

East Timor has dragged Canberra to the International Court of Justice (ICJ) in The Hague to seek the return of sensitive documents seized by Australia in a raid on an East Timor lawyer's office in the capital.

The documents relate to a controversial oil and gas treaty between the two countries which East Timor wants torn up.

"The ICJ decided to grant the parties' request to postpone the oral proceedings in the case," it said in a statement on Friday.

Lawyers were to argue their cases at the hearing's opening, set for September 17 before the ICJ, which rules in disputes between countries.

But in a joint letter dated Monday, both Dili and Canberra asked for a postponement "in order to enable them to seek an amicable settlement," the court said.

ICJ judges in an interim ruling in March ordered Canberra to stop interfering with East Timor's dealings with its lawyer and to ensure that the content of the seized documents be put under seal.

East Timor opened a case against Australia last December following a raid on the Canberra offices of Bernard Collaery, in which electronic and paper documents were seized.

East Timor contended that the seizure violated its sovereignty and rights "under international and any relevant domestic law."

At the heart of the David and Goliath dispute is the treaty signed in 2006 between Dili and its southern neighbour, four years after East Timor's independence from Indonesia.

Australia allegedly used an aid program as cover to bug East Timor's cabinet offices so it could listen in on discussions about the treaty.

East Timor accused Australia of spying to gain a commercial advantage during 2004 negotiations over the Timor Sea gas treaty, called the Certain Maritime Arrangements in the Timor Sea, or CMATS, which covers a vast gas field between the two nations.

East Timor now wants the treaty scrapped.

The two states are currently involved in a separate, behind-closed-doors case on the issue before the Permanent Court of Arbitration, which is in the same building as the ICJ.

The ICJ did not give a postponement date.