

Reflection on the Australia–Timor-Leste Partnership in the Greater Sunrise Dispute

By: Dionisio Babo Soares (personal opinion) in Tatoli, 14 July 2025

The long-standing dialogue between Timor-Leste and Australia over the development of the Greater Sunrise gas project offers a unique window into how resource diplomacy intersects with sovereign development, regional cooperation, and evolving notions of equity in the Indo-Pacific. While technical and commercial considerations understandably shape the future of this significant resource, the conversation is ultimately about much more than infrastructure. It is about trust, partnership, and the shared ambition to turn natural wealth into inclusive growth and long-term stability.

Timor-Leste has consistently maintained that bringing the pipeline from the Greater Sunrise field to its southern coast represents an economic opportunity and a step toward deeper national ownership and transformation. Leaders such as President José Ramos-Horta, Prime Minister Xanana Gusmão, and others have emphasized the importance of processing gas onshore, not merely for reasons of sovereignty, but because of the developmental potential it holds for job creation, industrial capacity-building, and the establishment of a domestic energy sector. The stakes are high and intensely personal for a young state with a finite sovereign wealth fund and growing social needs.

At the same time, the commercial stakeholders in the Greater Sunrise consortium, including Woodside Energy and other international partners, have raised legitimate concerns regarding cost, technical feasibility, and investor confidence. Australia, as both a host to some of these stakeholders and a longstanding partner to Timor-Leste, finds itself navigating the delicate balance between facilitating viable energy solutions and supporting the aspirations of a neighboring state with a turbulent history and a hopeful future.

This is not the first time differing interests have tested the bilateral relationship. Past events, including disputes over maritime boundaries, legal frameworks, and allegations of intelligence activity, have sometimes strained trust. However, the resolution of maritime boundaries through the landmark 2018 treaty, following Timor-Leste's recourse to international conciliation under UNCLOS, demonstrated the capacity of both nations to find principled, peaceful, and lasting solutions through dialogue and mutual respect. That precedent offers a model for resolving the current impasse that reflects all parties' interests.

For Australia, the current moment offers an opportunity to reaffirm its leadership role in the Indo-Pacific by demonstrating flexibility, creativity, and solidarity with one of its closest neighbors. Constructive engagement could take many forms. A more proactive role in convening dialogue among stakeholders, including government agencies, joint venture partners, and independent development experts, could help revisit the economic and strategic rationale behind onshore processing in Timor-Leste. If commercial doubts persist, Australian development institutions could consider innovative financing tools or public-private risk-sharing mechanisms to support infrastructure development that benefits both countries.

Moreover, incorporating broader development objectives into energy cooperation, such as capacity building, local employment, skills transfer, and environmental sustainability, can help ensure that the Greater Sunrise project contributes to long-term, shared prosperity. This would respond to Timor-Leste's goals and reinforce Australia's commitment to inclusive and rules-based development across the Indo-Pacific.

Timor-Leste, for its part, approaches these issues with diplomatic maturity and a willingness to explore collaborative solutions. Its pursuit of partnerships with a range of international actors should be seen not as a challenge to existing alliances, but as a reflection of its desire to diversify options while remaining anchored in regional cooperation. Its continued commitment to ASEAN integration, international law, and open dialogue speaks to the kind of responsible statecraft that strengthens regional norms.

Ultimately, where and how Greater Sunrise is developed must be approached not as a zero-sum contest between efficiency and equity, but as a shared project of strategic foresight. Economic, political, and relational potential benefits are not limited to Timor-Leste alone. A solution supporting local development while maintaining investor confidence would showcase a partnership model between developed and developing nations, rooted in mutual respect.

As Australia refines its Indo-Pacific strategy, aligning its commercial facilitation with its foreign policy values can strengthen its standing as a principled regional actor. Helping to realize Timor-Leste's development vision through an equitable resolution of the Greater Sunrise issue would send a strong message that sovereignty, partnership, and sustainable development are not competing imperatives, but mutually reinforcing goals in a changing world.

The article is a personal opinion and does not represent the institution with which the writer is associated.