

Timor Sea Justice Campaign

'A fair go for East Timor'

www.timorseajustice.org

info@timorseajustice.org

Greater Sunrise Unitisation Agreement Implementation Bill 2004

The Greater Sunrise Area

- The Greater Sunrise is the largest oil and gas field so far discovered in the Timor Sea, with an estimated worth of between AUD 30 billion and 34 billion, of which the combined government share is approximately AUD10 billion.
- Greater Sunrise is not expected to go on-line for production until around 2009.
- The Greater Sunrise field is twice as close to East Timor as it is to Australia, yet both countries claim the entire area.
- No permanent maritime boundaries exist between East Timor and Australia. The first round of negotiations is scheduled for April 2004.

The Greater Sunrise Unitisation Agreement March 2003

- The Greater Sunrise Unitisation Agreement is an interim agreement between East Timor and Australia to put in place a legal regime necessary for the project to progress while maritime boundaries are finalised.
- The Unitisation Agreement currently allocates almost 82% of revenues from the Greater Sunrise field to Australia, and just over 18% to East Timor, despite the fact that the field is twice as close to East Timor as it is to Australia.
- This agreement was signed by the East Timorese and Australian governments on 6 March 2003, but is yet to be ratified by either government.
- In our view, the Australian government coerced the East Timorese government to sign The Unitisation Agreement by refusing to ratify the Timor Sea Treaty (signed one year before) until the agreement had been signed. The ratification of the Timor Sea Treaty meant that production on the smaller Bayu Undan field could begin, providing East Timor with urgently needed revenue.
- The signing of this agreement meant that the East Timorese government was forced to sign off potentially billions of dollars in future revenue to Australia in order to access much-needed revenue in the shorter term.

The Greater Sunrise Unitisation Agreement Bill March 2004

- The Greater Sunrise Unitisation Agreement Bill implements the Greater Sunrise Unitisation Agreement.
- As this Bill stands, Australia could gain AUD 8 billion in revenue over a new and small nation which has little revenue independent of foreign aid.
- The Bill in its current form does not guarantee East Timor its proper share of the future revenues and benefits from the Greater Sunrise area if the maritime boundaries are established in East Timor's favour.
- The billions of dollars available to governments from the Greater Sunrise area would fund a significant portion of East Timor's annual budget, giving them the chance to build schools, hospitals and other facilities and services without going into debt. In contrast, this revenue would have a negligible impact on Australia's annual budget.
- The sudden introduction of the Unitisation Agreement Implementation Bill, without warning, into both Houses on 10 March 2004 raises concern that the Australian government is again coercing East Timor in the lead-up to the first of the maritime boundary negotiations.
- Oil and gas production in the Greater Sunrise area may not begin until at least 2009, therefore this Bill does not warrant the urgency with which the Government has tried to push it through both Houses of Parliament, and does not need to be passed by the Senate at this time.

Recommendations from the Timor Sea Justice Campaign.

- This Bill is only appropriate as an interim agreement if accompanied by good faith negotiations or arbitration to expeditiously settle fair maritime boundaries with East Timor. Otherwise it could have the effect of creating permanent arrangements for Australia to claim 80% of the revenue from a disputed area.
- Australia should negotiate maritime boundaries with East Timor in good faith within the next three to five years, well before Greater Sunrise comes online. If necessary arbitration by the International Court of Justice (ICJ) or the International Tribunal on the Law of the Sea (ITLOS) could take place. Australia withdrew from the jurisdiction of these two bodies in 2002, two months before East Timor's independence.
- The Bill should be amended to ensure that: all Australian Government revenue from the Greater Sunrise field be placed into trust, and that when permanent maritime boundaries are finalised the trust funds automatically be distributed according to the entitlement of each country.
- It must be made clear that Australia is treating this arrangement as interim one, as agreed with the Government of East Timor.

The Timor Sea Justice Campaign

The Timor Sea Justice Campaign is an independent campaign based in Melbourne and initiated in January 2004. The campaign seeks to change Australian government policy in relation to the Timor Sea and is made up of concerned individuals of various ages and professions working on a voluntary basis. The Timor Sea Justice campaign believes that as a sovereign nation, East Timor has the right to settle its boundaries with neighbouring countries and to benefit from its natural resources, particularly at the time that this new nation needs the revenue from resources in the Timor Sea to develop and provide its citizens with basic services such as schools and hospitals. The Timor Sea Justice campaign aims to lobby the Australian government to be a friendly and cooperative neighbour to East Timor, building on the goodwill between the two nations, and to respect the economic, social and cultural rights of the East Timorese and East Timor's full sovereign rights under international law.

www.timorseajustice.org

info@timorseajustice.org