

## *Transcript*

Timor Gap oil and gas

# **Don't rob their future Give them a fair go**

### **Narrator: Tony Barry**

After 24 years of often brutal Indonesian occupation and after the Indonesian army sponsored militia violence and destruction in September 1999, East Timor on the 20 May 2002 finally achieved their independence.

Unfortunately, more than 70% of East Timor's infrastructure was damaged or destroyed during the September 1999 violence. The country was systematically reduced to ash and rubble.

East Timor is now trying to rebuild itself.

But East Timor is a poor country, in fact the poorest country in Asia.

More than 40% of the population lives on less than \$1 a day.

However, East Timor has significant deposits off shore oil and gas reserve.

And it recently concluded a treaty with Australia to share those resources.

The Australian Prime Minister, John Howard claimed Australia had been generous by giving East Timor 90% of the share.

But Dr Andrew McNaughton disagrees.

### **Andrew McNaughton**

*Convenor Australian East Timor Association (AETA)*

East Timor will get 90% of the royalties for the JPDA. But East Timor is in fact entitled to much wider maritime boundaries. And overall Timor is certainly not getting 90% of its entitlements.

## **Narrator: Tony Barry**

Dr McNaughton is the convenor of the Australian East Timor Association.

And has been an advocate and long time campaigner for East Timor.

## **Andrew McNaughton**

The 90% that East Timor is receiving refers to the revenue from the joint petroleum development area or JPDA.

JPDA is an area within East Timor's maritime entitlements but in fact its overall maritime entitlements are much bigger than the JPDA.

## **Narrator: Tony Barry**

The treaty sets up a joint petroleum development area, the JPDA which is much smaller in area than East Timor's entitled seabed boundary.

This JPDA is in fact Zone A of the now defunct 1989 Timor Gap Treaty between Australia and Indonesia.

Petroleum resources within the JPDA are shared 90:10 in favour of East Timor.

However, the bulk of the resources lie just outside the boundary of the JPDA.

And although these resources belong to East Timor, Australia is claiming them as wholly Australian.

## **Andrew McNaughton**

There are three significant oil and gas resources within this area.

The first is called Bayu-Undan, is a gas and condensate field and it lies within the joint petroleum development area.

It will therefore pay 90% of its revenue to East Timor.

The second and most significant resource is the Greater Sunrise gas field which lies across the eastern border of the JPDA.

It has about three times as large gas reserves as Bayu-Undan.

Under the existing Timor Sea Treaty 20% of this field is deemed to lie within the joint petroleum development area.

However, 80% is deemed to lie without, outside the joint petroleum development area. And therefore will pay no revenue to East Timor at all.

The third major resource is the Laminaria/Corralina oil field.

This is only a number of kilometres outside the western border of the joint petroleum development area. Therefore this field will pay no revenues at all to East Timor.

The point is that under international law all of these reserve are East Timorese.

### **Narrator: Tony Barry**

The Timor Sea Treaty is a petroleum resource sharing treaty between Australia and East Timor.

It is not a maritime boundary treaty between the two countries.

According to a legal opinion by Professor Vaughan Lowe, an expert in international law and maritime boundaries from Oxford University, and Commander Christopher Carleton from the UK Hydrographic Office, East Timor's lateral boundary would extend beyond that of the JPDA.

Kate Eastman, a barrister and lecturer in international law, and specialising in human rights issues also agrees with this aspect of the Lowe-Carleton opinion.

### **Kate Eastman**

*Barrister and lecturer in International Law, Wentworth Chambers, Sydney*

Certainly I do agree with the opinion and I do agree that the boundaries would extend.

## **Andrew McNaughton**

The median line between Australia and East Timor is the same as the southern boundary of the JPDA.

So that boundary wouldn't change.

On the western boundary the border would be significantly further west than the JPDA and would encompass the Laminaria/Corralina field.

To the east, the eastern border would involve at least 80% of the Greater Sunrise gas field.

In fact the eastern boundary might encompass 100% of the Greater Sunrise gas field.

Which would mean that the resources within East Timor's maritime boundary are much greater than those within the JPDA in the Timor Sea Treaty.

Until now although Timor has the right to a sea bed boundary with Australia there has been no agreement and there is no, currently no sea bed boundary between Australia and East Timor.

## **Kate Eastman**

Under international law East Timor is entitled to claim its own maritime boundary.

Its first starting point is that East Timor and Australia would negotiate the boundaries.

If that was unsuccessful, they could then use the international tribunal for the law of the sea or the International Court of Justice to adjudicate any dispute about the maritime boundary.

## **Narrator: Tony Barry**

However, to pre-empt East Timor taking the matter to international arbitration, Australia in March 2002 withdrew from that part of the jurisdiction of the International Court of Justice which deals with maritime boundary.

## **Kate Eastman**

It means that East Timor will have to negotiate directly with Australia.

So clearly East Timor as a newly independent state would be locked into a David and Goliath battle with Australia to resolve fair and equitable maritime boundaries.

## **Narrator: Tony Barry**

In energy terms, Bayu-Undan, Greater Sunrise and Laminaria/Corralina have a total reserve of more than 3 billions barrels of oil equivalent.

## **Geoff McKee**

*Oil and gas consultant with more than 30 years experience in the industry*

In the Timor Sea within East Timor's potential maritime boundaries we are talking about oil and gas reserve equivalent to 3.3 billion barrels of oil.

Now under the current arrangements with the Timor Sea Treaty, East Timor would have access to or jurisdiction over 1.3 billion barrels of oil equivalent in energy terms which is 40% of the total.

## **Narrator: Tony Barry**

East Timor will also miss out on the industrial spin-offs worth millions of dollars and thousands of jobs because the gas from Bayu-Undan under the current arrangement will be piped to Darwin instead of East Timor.

Clare Martin, the Chief Minister of the Northern Territory also wants the gas from Greater Sunrise to be piped to Darwin.

## **Geoff McKee 9.28–9.56**

The gas can be piped to East Timor.

Its technically feasible for a pipeline to be layed from Bayu-Undan to the south coast of East Timor.

And further more a recent study by a major international off-shore technology company has quantified the cost and has found that a pipeline going north to Timor is approximately two thirds the capital cost of a pipeline going south to Darwin.

**Narrator: Tony Barry**

The oil and gas revenue is worth billions of dollars to East Timor.

**Geoff McKee**

My figure is for all those oil and gas reserves, we are talking about US\$66 billion in present day value.

And that is easily verify by multiplying the 3.3 billion barrels of oil equivalent by a reasonable price for crude oil in the region of \$20 a barrel.

Now I calculate of that present day value of 66 billion, the government take, the all up government take would be very close to US\$30 billion in present day value.

**Narrator: Tony Barry**

East Timor's share of this US\$30 billion is less than 40%.

Even a modest 5% increase in the revenue East Timor gets, would amount to hundreds of millions of dollars—more than Australia's entire contribution to the East Timor campaign since September 1999.

Think of what East Timor could do with that money...how many schools, classrooms, hospitals, health clinics, roads and other infrastructure that money could provide...how many jobs those additional services would also provide.

The East Timorese people know that their future lies in educating their children.

Their children are aware of this.

But East Timor is a poor country and cannot afford to provide the basic educational facilities in the classrooms, that we in Australia take for granted.

## **Narrator: Tony Barry**

East Timor also has major health problems, particularly tuberculosis.

## **Dr Collette Livermore**

*Australian medical doctor working as a volunteer in East Timor*

We come here to the village of Fatulai today just to do a general medical clinic and to do a mobile clinic for a TB program and we got one lady positive here that is going to start treatment and we have three or four children that will probably need to start treatment as well.

## **Narrator: Tony Barry**

East Timor also has a high infant mortality rate.

## **Xanana Gusmão**

*President of East Timor*

We are in a new struggle, the struggle to eliminate the disease, to eradicate illiteracy, to eradicate poverty and if we have the resources from, from the Timor Sea, we can be more capable to, to start building the basis in all these sectors.

## **Narrator: Tony Barry**

The East Timorese know they must ultimately rely on themselves. They also know they must not depend solely on the oil and gas revenue.

## **Xanana Gusmão**

If we rely totally on the resources from oil and gas maybe in the future we will face terrible social economical problems.

## **Narrator: Tony Barry**

They know they must develop sustainable job creating industries like fishing, eco-tourism and reforestation.

But these industries require massive injection of capital. And East Timor can only afford it if they get their rightful share of the oil and gas resources.

By agreeing to give East Timor their rightful share, Australia would also benefit because more likely than not, it would be Australian technology and know how that would help East Timor set up those industries.

### **Narrator: Tony Barry**

As Australians, we were proud of our involvement in East Timor.

And when we opened our hearts and our wallets to help the suffering East Timorese people we did not expect payment in return.

### **Sister Susan Connelly**

*Mary MacKillop Institute of East Timorese Studies*

Regarding East Timor, we went over there, our troops went over there with large hearts representing the large hearts of the Australian population to help our brothers and sisters in need at long last.

And now regarding the oil in the East Timor Gap, it is as though we are putting our hands out and saying OK you owe us. Whereas the truth is that we owe them.

### **Andrew McNaughton**

The fact is the resources been talked about here are East Timor's resources. We talk about the area north of the medium line which is in East Timor's territory.

South of the medium line is 100% Australian and East Timor has absolutely no claim on that.

The area we are talking about is north of the medium line, is East Timor's. And in fact what is happening there is that Australia is talking 60% of East Timor's resources.

### **Sister Susan Connelly**

We have a duty to do what is just and fair. Australians are always proud of themselves on their fairness.

Now if we try to start stealing what is rightfully the Timorese peoples oil in the Timor Gap, that is certainly not fair.

They don't expect, I am sure that after our befriending them in 1999 that we now turn around and take what is rightfully theirs.

### **Narrator: Tony Barry**

By refusing to negotiate a meaningful and equitable maritime boundary with East Timor, and by claiming more than 60% of its resources as Australian, Australia is in fact forcing East Timor, the poorest country in the region, to pay for the cost of Australia's involvement there, not once but many times over. Is that our idea of a fair go?

### **Andrew McNaughton**

I don't think the current deal is a fair go at all.

But it would be very easy for Australians to give East Timor a fairer share of Greater Sunrise, and that could be done with a stroke of a pen.

If Australians were to give East Timor, for example 50% of the revenues of Greater Sunrise it would be a much more equitable outcome than the current arrangement.

### **Xanana Gusmão**

We don't ask for less or more . We know we must do or we should do.

We would like to see and believe that Australian can adopt an understanding, understanding...attitude towards our claims.

### **Narrator: Tony Barry**

The world, including Australia stood by in unified silence for 24 years until the horrific events of September 1999 forced Australians to wake up and intervene.

As Australians, we were united and proud of our involvement in East Timor.

And the world community gave us a pat us on the back for it.

Let us not now spoil this by trying to rob the East Timorese off their future. Let us give the East Timorese people a fair go by restoring their fair share of their entitlements.

**During World War II more than 40,000 East Timorese died as a result of protecting a few hundred Australian commandoes on the island, sent there to fight the Japanese.**

**The Australian Air Force air dropped thousands of leaflets all over the island, telling the East Timorese: ‘Your friends do not forget you.’**

**However, in their hour of greatest need, Australia did forget them. Instead of coming to their aid, Australia allowed Indonesia to destabilise and finally invade East Timor on 7 December 1975. Six Australian based journalists and thousands of East Timorese were killed between October and December of that year.**

**Over the following 24 years of often brutal Indonesian occupation, more than 200,000 East Timorese died.**

**In the aftermath of the Indonesian army (TNI) sponsored militia violence and destruction in September 1999: more than 70% of East Timor’s infrastructure was damaged or destroyed.**

**More than one thousand East Timorese were brutally murdered; a third of the population was herded onto boats and trucks bound for West Timor and other islands in the Indonesian archipelago. Thousands are still stranded in the squalid camps there.**

**The East Timorese are now rebuilding their country from the ground up and they will need all the help they can get, including getting a fairer share of their oil and gas resources.**

# Credits

## **Narrated by**

Tony Barry

## **Camera**

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Kathryn Barron

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HT Lee

## **File footage of Fatulai village**

'One Day in Fatulai' by Joan Robinson

## **Still photos**

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HT Lee

## **Music**

'Ita Timor Oan Sira Ne'e' & 'Kdadalak'

performed by the Mary MacKillop East Timorese Singers

from the album 'Remember East Timor'

## **Post production**

*Editorial/design:* Matt Bisson; *DVD authoring:* Meagan O'Neill; Melissa Pidock  
from Egg Media Industries, Newtown NSW 2042, Australia

## **Voice over recording**

McCrocodile Audio

## **Sponsors**

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NSW Transport Workers Union (TWU)

NSW Teachers Federation

APHEDA Union Aid Abroad

Action in Solidarity with Indonesia and East Timor (ASIET) Darwin

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