Transcript

EMMA ALBERICI, PREPARATOR: Our top story is the angry reaction from East Timor's Prime Minister over ASIO's raids on a witness and a lawyer who's representing East Timor at The Hague. Arbitration is due to get underway tomorrow over a now-disputed deal between Australia and East Timor covering the lucrative oil and gas fields known as Sunrise. East Timor has accused Australia of bugging its cabinet room during the leadup to that revenue-sharing agreement. They argue that a Australia's spying operation gave Australia an unfair commercial advantage.

Joining us now from our Canberra studio is the East Timor's ambassador to Australia, Abel Guterres.

Abel Guterres, welcome to Lateline.

ABEL GUTERRES, TIMOR-LESTE AMBASSADOR TO AUSTRALIA: Thank you. Thank you for opportunity to be here.

EMMA ALBERICI: Now your Prime Minister, Xanana Gusmao, has asked Tony Abbott for an explanation over yesterday's raids. What exactly does he want to know?

ABEL GUTERRES: Well, as he has made - as his statement have clearly indicated that he needs an explanation from our friend, Australia, the Prime Minister of Australia, Tony Abbott. And we hope that that will bring some satisfaction or explaining the events that took place. But I want to say that this case is quite straightforward in terms of bringing clarity to the disagreement that both countries have, and these, of course, will provide certainty in terms of arrangement, commercial arrangement that the two countries have agreed to and we hope that this will clear - made it absolutely clear in terms of future or present investment in the region, in the Timor Sea.

EMMA ALBERICI: We'll talk specifically about that arrangement and the dispute that's being settled in The Hague this week shortly, but I wanted to ask you a bit more about the raids specifically. Do you believe that those raids were
intended to compromise East Timor's legal case against Australia?

ABEL GUTERRES: I think the word has been used has been in Australia's national security interests. And I must say that Timor-Leste has been and is and will always be aligned in terms of national security interests with our neighbour and especially with Australia. So there is no question in terms of our engagement and loyalty to this engagement in the national security issue. So, what has taken place is absolutely regrettable.

EMMA ALBERICI: Well of course, the Attorney-General, George Brandis, was adamant today that the sole purpose of the search warrants was to protect Australia's national security.

ABEL GUTERRES: Well, I'll leave that to our Australian friends to make the judgment on whether that is Australian security or these - the case as it is before the arbitration is to do with commercial issues.

EMMA ALBERICI: Is there any situation by which Australia would be justified in spying on East Timor under national security grounds? I mean, there is the constant refrain that all countries spy on each other and that it's a natural part of the intelligence-gathering system.

ABEL GUTERRES: Well, in terms of the pure security issues of all countries, and Timor-Leste is no exception, and we understand and we protect those kind of security concerns, whether it is between us and Australia or the region in general. So, in terms of national security, that is never in question. We understand that. And we know what dangers are in terms of a threat to peoples of our two countries and the region and the overall regional security. So that is no question. What we are engaging here is purely a commercial issue.

EMMA ALBERICI: So what does East Timor believe was the purpose of Australia's bugging of the cabinet office of your government?

ABEL GUTERRES: Well, I guess, you know, what has taken place, allegedly has taken place is going to be - need to proven at the international arbitration that is taking place now and we wait for that outcome. But I suppose when any fair-minded person would see the events that has taken place would draw a conclusion as to why this has taken place.

EMMA ALBERICI: In 2004, the two countries, as we now know, were in the midst of these negotiations over those lucrative oil and gas fields in the Timor Sea. How appropriate was it for Australian spies to specifically be posing as aid workers to actually gain the access to your government offices?

ABEL GUTERRES: I guess it is - in that specific case, it's unfortunate that the potential of being an aid worker - it's really unfortunate that that has taken place. But I want to assure Australia and Australians that Timor-Leste and Australia are good friends and good neighbours and good allies and we have been since Second World War and that there will be no different now and into the future. What is important is that the difference that we're having now, Australia is a member of the Security Council that is the guardian to international law. And I think we, as a young country, we need to learn from those good examples. So, is Australia setting a good example? Well, that is going to be proven at the tribunal as it evolve and it will have its verdict.

EMMA ALBERICI: Well in your view, is Australia demonstrating the traits of a good ally and friend, as you describe it?

ABEL GUTERRES: Well, we expect Australia to provide a good example as good international citizen and abiding - a good international law-abiding country and we hope to learn from those good experiences.

EMMA ALBERICI: And for the benefit of the audience, this oil and gas well which is in dispute lies about 100 kilometres from the East Timorese coast and about 400 kilometres from Australia. You're sharing the revenue from that project 50-50. That was a deal done back in 2006 when you also signed an agreement not to contest that arrangement for 50 years. So why now are you seeking to have that deal overturned?

ABEL GUTERRES: Well, the fact that we have a clause there in the agreement that in an event the - either of the parties can challenge, and so, where was the certainty? The certainty that has to be established is the boundary issue where investors that will go into the area know exactly where the boundaries are, which jurisdictions are of either side. So that is the only way to give absolute certainty to investment in the region. And the existing arrangement will continue to go on.
EMMA ALBERICI: But this is what's up for dispute in The Hague this week.

ABEL GUTERRES: That's correct. Yes. It's because there is the clause. So where was that certainty - when you have that clause that says that either party can raise the issue or can challenge? Is that a certainty? I don't think that's a certainty. So certainty that we are seeking is to draw the boundary so that the investors know exactly which is the Australian territory, which is the Timor-Leste territory. There's a clear jurisdiction in which investors can have 100 per cent confidence in putting in their money without having question marks behind their backs.

EMMA ALBERICI: But you are essentially trying to rewrite the deal that was brokered in 2006. I guess my question is: what was wrong with that deal then?

ABEL GUTERRES: Well, the deal is not satisfactory. That's exactly why we are at this stage. And because there was always that question mark. And for Timor-Leste to not dealing with the boundaries for 50 years; you know, which country will do that? And I think we are entitled to - what we are asking is: no more and no less. What we are asking is: what is under international law belongs to Timor-Leste. The area of jurisdiction belongs to Timor-Leste according to international laws and norms.

EMMA ALBERICI: So are you saying that the agreement from seven years ago, under that deal, East Timor was being ripped off?

ABEL GUTERRES: Well, I s'pose people can draw those conclusions.

EMMA ALBERICI: But that was a 50-50 split.

ABEL GUTERRES: Yeah, 50-50 split, but the fact that we are not happy and has not given a certainty in terms of the developing the Greater Sunrise field.

EMMA ALBERICI: I just lastly want to put this to you that our former Foreign minister Alexander Downer, who brokered that deal back in 2006, has recently said - or questioned, I should say, the timing of this case being taken to The Hague. He is suggesting that East Timor is being opportunistic, given the controversy surrounding the spy scandals with Indonesia.

ABEL GUTERRES: I will make no comment on former Foreign minister's statement. And I think the evidence, what has been talked publicly is there before the public, before Australian community, before East Timorese community, and therefore I think the public will draw those conclusions.

EMMA ALBERICI: Thank you very much for your time this evening, Abel Guterres.

ABEL GUTERRES: Thank you for the opportunity.

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