



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

QUESTION

Thursday, 7 February 2013

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QUESTION

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Questioner Madigan, Sen John
Speaker

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East Timor

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Senator MADIGAN (Victoria) (14:48): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Minister, in light of the fact that in 16 days, on 23 February this year, the CMATS treaty between Australia and Timor-Leste which provides for the distribution of revenue derived from the disputed Greater Sunrise oil and gas field can, according to article 12 of the treaty, be unilaterally terminated by either party unless the development plan is agreed to before this date, can you advise where the negotiations on this development plan are at and whether the government has a preference as to how and when the Sunrise project should be developed?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:49): I thank the senator for his question. This is an important issue that we are taking forward in the context of the positive and cooperative relationship we enjoy with the government of Timor-Leste. Australia and Timor-Leste have been engaged in detailed and complex negotiations for some time on the options for the development of the Greater Sunrise oil and gas field. They are discussions that involve the two governments as well as the joint venture formed to develop the field, which is led by Woodside. This is a valuable resource that, properly developed, will deliver significant benefits to both Timor-Leste and Australia. It is important we get it right. Negotiations are not yet at a point where a development plan has been agreed, but they have made important progress. Agreement was reached by the Sunrise Commission late last year to conduct an independent reserve estimate study, which is underway now. Detailed discussions have been held between experts of the two governments and the joint venture on the complex legal, technical, commercial and political issues involved. Australia has not yet come to a final position on its preferred development concept. More work needs to be done before we get to that point, and this work is underway. But we are strongly committed to working with Timor-Leste to enable the development of the Greater Sunrise resource to the benefit of both countries.

Senator MADIGAN (Victoria) (14:50): Mr President, I ask a supplementary question. Minister, if Timor-Leste exercised its authority to terminate CMATS,

is the government prepared to engage in maritime boundary negotiations given that all three treaties between the two countries are without prejudice as to a future maritime boundary resolution? What will Australia do to facilitate this process?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:51): The Australian government supports the development of petroleum resources in the JPDA and Greater Sunrise areas, and supports strongly and remains strongly committed to the treaties between Australia and Timor-Leste that facilitate these developments for the benefit of both countries. Timor-Leste and Australia freely entered into CMATS in 2007. Australia will honour the treaty. We expect Timor-Leste to do the same. I am not going to speculate on what action the Australian government would take should Timor-Leste proceed to terminate CMATS. We have received, however, no indication from Timor-Leste that would suggest CMATS would be terminated.

Senator MADIGAN (Victoria) (14:52): Thanks, Mr President. I have a second supplementary: Minister, since the former coalition government invoked the national interest exception twice to take action regarding Timor Sea issues, without parliamentary discussion or ratification—when it withdrew from the ICJ and UNCLOS boundary resolution process in March 2002 and when CMATS entered into force in February 2007—does this government intend to fully include parliament and the public in future discussions and decisions which relate to the Timor Sea and Timor-Leste?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:52): The government implements treaty-making arrangements consistent with practices of successive governments, which include appropriate consultation between the parliament, the government and the Australian public. The parliamentary Joint Standing Committee on Foreign Affairs, Defence and Trade will be conducting an inquiry into Australia's relationship with Timor-Leste. Members of the parliament and the public will be able to provide input to this inquiry and I look forward to the results of this inquiry. With respect to Timor-Leste, Australia is committed to supporting Timor-Leste's economic development. Revenues from oil and gas have made a significant contribution to this small

country's progress to date and we would expect this to continue.