

Maritime deal between Australia, Timor-Leste cautiously welcomed by analysts

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The deal ends a long running row between the two nations that's stalled a multibillion-dollar offshore gas project in the Timor Sea.

The details will remain confidential until they are finalised next month.

In a joint statement, negotiators for Australia and Timor-Leste have welcomed the agreement announced by the international Permanent Court of Arbitration.

The leader of Timor-Leste's delegation, chief negotiator and former President Xanana Gusmão, has hailed the deal as a historic moment, marking the beginning of a new era in relations between the two countries.

Australia's Foreign Minister Julie Bishop says the deal supports the national interest of both nations.

Kim McGrath has written a book on the issue, *Crossing the Line - Australia's Secret History in the Timor Sea*.

She says given its previous position, the Australian Government has come a long way in a short time to come to an agreement.

"It's quite remarkable that just two years ago, even probably 12 months ago, Australia's position was to still defend these series of previous treaties, including one that was tainted by allegations of spying and maintaining that all of that was figne and there wasn't any need to re-negotiate arrangements in the Timor Sea," she said.

"We're still waiting on the detail and there will be a lot of interest when that's finally revealed."

Central to any deal is the carve-up of money from the Greater Sunrise oil and gas field.

The deal outlines a maritime boundary, as well as revenue sharing arrangements for the field, estimated to be worth over \$60 billion.

Earlier this year, Timor Leste ended a 2006 treaty with Australia, which split revenue 50-50 after allegations of spying on Timor Leste cabinet ministers.

While the details of this latest agreement remain confidential, the court says it addresses the field's legal and revenue issues.

Timor-Leste may have welcomed the deal, but international politics expert Professor Damian Kingsbury, from Deakin University, says it's been forced into it because of its perilous financial situation.

"Australia has behaved reprehensibly," he told SBS World News.

"In 2002 it forced East Timor into an unconscionable deal over the Timor Sea, essentially stealing East Timor's resources.

"And what we are seeing now is Australia again bullying East Timor into accepting a deal that's not entirely in East Timor's favour. But East Timor is desperate. It needs the revenue from that field so it's not really in a position to hold out any longer."

Kim McGrath says the Australian stance on an oil and gas field that lies much closer to the shores of Timor-Leste has caused considerable resentment in the fledgling and impoverished nation.

"It's been quite toxic. In Dili there there's graffiti around the streets of a kangaroo hopping away with oil. It's something that's had a low profile and not much awareness in Australia but in Timor-Leste, just about everyone across all political persuasions has been very interested in this issue because it's an economic lifeline for them."

And she says the issue is of far more significance to Timor-Leste than it would be to its bigger neighbour.

"What is at stake in the Timor Seas is a drop in the ocean in Australia in terms of our access to oil and gas revenues but for the Timorese it means schools, hospitals, desperately needed medical services and jobs for young people ."

According to Professor Kingsbury, Australia still looks set to get a sizeable chunk of revenue from the Golden Sunrise oil and gas field, even though it lies in Timor-Leste's waters under international law.

"So Australia has done very well out of this at East Timor's expense. Australia should have drawn a line in the middle which would have given East Timor the oil and gas field.

"As it turns out, there will be a boundary, the Golden Sunrise field will be divided. East Timor's not going to get the deal it should have. Having said that, it does look like it will get much better than a 50/50 deal and that will help secure East Timor's economic future, which does give it some certainty."