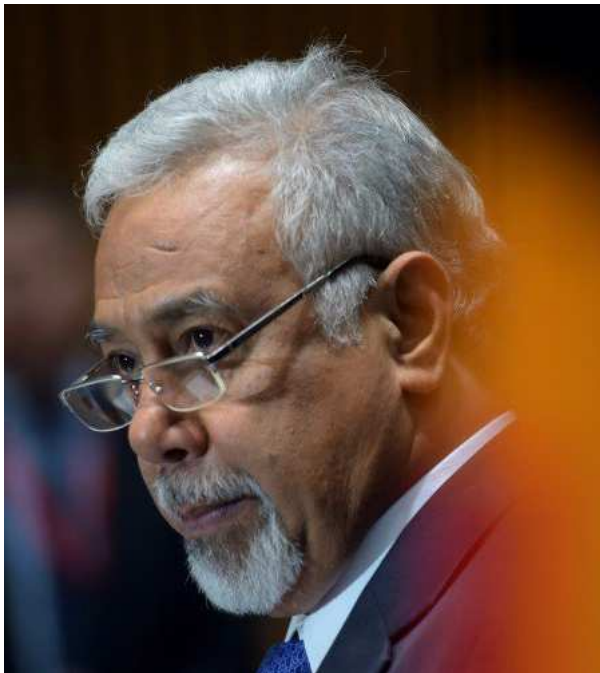


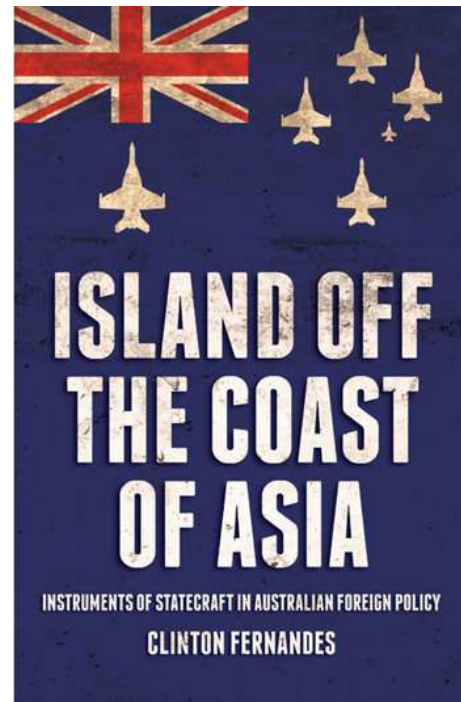
Witness K scandal part of a long history of pandering to resource companies

The Witness K scandal and attempts to cover it up show how there has been bipartisan agreement to let commercial interests dictate Australia's foreign policy.

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Former president of Timor-Leste Xanana Gusmão



The illegal bugging of the Timor-Leste cabinet by the Australian Secret Intelligence Service (ASIS) in 2004, and the efforts of subsequent governments to cover it up, are only a part of the long history of Australia's foreign policy being used for the commercial benefit of resource companies, a new book demonstrates.

University of NSW professor and former army intelligence officer Clinton Fernandes' new book *Island Off The Coast Of Asia* details the centrality of commercial interests to Australian foreign policy throughout its history, and the instruments that have been used to ensure the interests of Australian companies, and those of our allies, have been protected at all costs.

Fernandes singles out the Law of the Sea Convention (LOSC) of 1982 as "one of the most important projects ever undertaken by the Department of Foreign Affairs and Trade or its predecessors", which illustrated how "the public bears the costs and risks of diplomacy, law, investment, research, negotiations, espionage, and other instruments of statecraft, while small groups in control of vast concentrations of capital benefit disproportionately".

The LOSC determined the extent of exclusive economic zones around the coastline of countries, which they alone can exploit; Fernandes explains the complex research Australia needed to back its

claims, but there was more than mere survey work: the Hawke government also undertook a mammoth seismic survey project to establish the petroleum exploration potential of its offshore areas for corporations to exploit. That is, taxpayers funded the basic -- and very expensive -- research to establish the offshore petroleum potential of Australia's economic zone, which cabinet was told petroleum companies would refuse to fund themselves.

Fernandes shows how Treasury and Finance objected to this taxpayer largesse for resource companies. "Market failure in the petroleum exploration industry has not been demonstrated," Treasury told cabinet. "... [I]ncreased industry participation in the program is warranted, and this would be best achieved by a much more substantial level of cost recovery."

A highly concentrated resources sector would enjoy "significant benefits," Finance said. But the Hawke cabinet dismissed their concerns, preferring to pay for exploration that resource companies should have been undertaking themselves.

A key beneficiary of the research was Australian company Woodside, which used the North West Shelf and other offshore gas projects to become one of Australia's biggest companies and a national champion to be protected against foreign takeover. It was also Woodside that had discovered oil and gas reserves in the Greater Sunrise field in the 1970s, in the middle of decades of arguments between Australia, Indonesia and Portugal over maritime borders and access to the resources beneath them. That issue was crucial to shaping Australia's relations with Indonesia and its attitude to Indonesia's occupation of Timor-Leste. Woodside was a key beneficiary of the Timor Gap Treaty negotiated by Gareth Evans with Indonesia in 1989 to enable joint exploitation of the "gap" in the border left by Portugal's previous control of Timor-Leste, with both countries issuing production licences to Woodside in the 1990s.

Woodside's interests thus had to be protected after Timor-Leste's independence from Indonesia voided the treaty. The Howard government blackmailed the newly established state into signing the Timor Sea Treaty in 2002 and then demanded it sign an International Unitisation Agreement in 2003 to determine the split of the Greater Sunrise gas fields. In 2002, Alexander Downer told Xanana Gusmão that Australia was happy to leave the resources unexploited for decades if Australia wasn't allowed to get its way for Woodside, which led the consortium of companies that would exploit the resources. "They can stay there for 20, 40, 50 years. We are very tough. We will not care if you give information to the media. Let me give you a tutorial in politics -- not a chance."

To give Australia extra leverage in negotiations, Downer asked ASIS to bug the Timor-Leste cabinet, under the cover of an aid project, redirecting ASIS resources from the counter-terror fight in Indonesia (ASIS had previously been able to obtain the documents of Indonesian Timor Gap Treaty negotiators in the 1980s, so Downer's order was another demonstration of bipartisan continuity). Downer was also unapologetic about running Australian foreign policy for the benefit of Woodside. "Woodside is an Australian company - These are people who have paid good money for leases, they have an interest in the legal and regulatory regime, and obviously Australia would conduct negotiations cognizant of the implications of what they were doing."

Woodside's relations with government officials continued beyond diplomacy. Fernandes notes two of Woodside's senior staff in Timor-Leste in recent years have been former DFAT officials. DFAT secretary Ashton Calvert joined the Woodside board after leaving the public service. Downer himself would take a consulting role with Woodside. And another Woodside executive, Gary Gray, would become Labor's resources minister.

And in 2013, it was [a Labor government](#) that lashed out at Gusmão over the Timor Sea Treaty and, after the revelation of the bugging by ASIS, it would be Labor attorney-general Mark Dreyfus who approved the bugging of Witness K's, and Timor-Leste's, lawyer Bernard Collaery. As Fernandes constantly demonstrates, bipartisan continuity has been at the heart of the dominance of commercial interests in Australia's regional foreign policy.