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The fight to end Australia's exploitation of Timor Sea resources continues despite new maritime border

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A protest on International Human Rights Day outside the Australian Embassy in Dili, 10 December 2013. Photos courtesy of La'o Hamutuk.

It was all smiles and handshakes at the United Nations in New York when Australia and Timor-Leste signed a treaty to establish a permanent maritime boundary between the two countries. The landmark deal was signed on 6 March 2018 by Agio Pereira, Timor-Leste's Minister for Maritime Boundary Negotiations, and Julie Bishop, Australia's Minister for Foreign Affairs. But behind the joint press release declaring friendship and other diplomatic niceties is the ugly story of Australia, the regional imperialist bully, fleecing its tiny, impoverished northern neighbour.

Timor-Leste has long been dominated by foreign powers. A Portuguese colony for centuries, it was exploited for sandalwood and coffee. In 1975, it briefly gained independence, before being invaded by Indonesia. This brutal occupation, backed by Australia, sparked a fierce 24-year struggle for independence, culminating in the 1999 referendum in which a huge majority voted to split from Indonesia. Timor-Leste was declared an independent nation in 2002, swapping direct colonialism and occupation for indirect, but no less oppressive, Australian imperialist exploitation.

Bad neighbours. The key strategic concern of Australia's rulers is to shore up access to the rich oil and gas reserves in the Timor Sea. Profiteering from the region predates Timorese independence. In 1989, Australia signed the Timor Gap Treaty with Suharto's Indonesia and opened the Timor Sea to Australian oil and gas companies. The treaty continued until 2002, when Australia used its might to impose a new deal on Timor-Leste that was heavily weighted in Australia's favour. Initially, Australia got 82% control over the Greater Sunrise gas field, which is actually 400 kilometres from the Australian coast and just 100 kilometres from Timor-Leste.

This was renegotiated to a 50/50 split under the 2006 Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS). However, CMATS stipulated that the border between the two countries be left unresolved for 50 years. Timor-Leste has long considered the border invalid, campaigning for a permanent maritime border based on the median line between two countries, the practice codified by the United Nations Convention on the Law of the Sea (UNCLOS).

The question of a maritime border has dominated relations between the two countries. Australian companies have profited richly from the unequal border. Timor-Leste, one of the poorest countries in the world, is heavily reliant on natural resources, with oil accounting for 76% of the country's GDP and 98% of its exports.

The stakes are so high that Canberra had no misgivings about playing dirty. In 2004, it bugged the cabinet room of the Timorese parliament to gain the upper hand in negotiations. This scandal hit the headlines in 2012 when a former Australian Secret Intelligence Service agent, directly involved in the espionage, turned whistle-blower. Based on this information, Timor-Leste launched legal action in The Hague. But their star witness, known only as Witness K, has been held under virtual house arrest by the Australian government since 2013. ASIO raided the office of his lawyer, seized his passport and is *still* refusing to allow him to leave the country.

Border at last. The fight to get the rigged 2002 and 2006 treaties dumped and to achieve the current deal has been hard-fought. A recalcitrant Australia, has been dragged unwillingly into negotiations using the compulsory conciliation process under UCLOS. Achieving the termination of CMATS is a clear win for Timor-Leste. Jubilant Timorese celebrated by immediately taking to the streets of Dili for a march on the Australian Embassy to demand *prompt* ratification of the new border treaty. Before the treaty becomes law, it must be ratified by both countries. In Australia, this requires a Parliamentary Inquiry and public hearings by the Joint Standing Committee on Treaties. The Timorese people want no more delays.

The fight for access to oil and gas resources is a question of both sovereignty and survival for the Timorese, who continue to fight hard. The Dili-based NGO, *La'o Hamutuk* (Walking Together), plays a key role researching, analysing and publicising the impact of imperialist exploitation. Mass protests demanding access to the oil and gas resources are often called by the Movement Against the Occupation of the Timor Sea. The question of a maritime boundary is one of the most pressing issues facing the Timorese. Men and women, young and old, workers, students and farmers have rallied in their thousands many times outside the Australian Embassy in Dili to demand a border that complies with international law.

The new treaty delineates a permanent north-south median border, which puts squarely in Timor-

Leste's territory the oil and gas fields that Australia has been profiting from for years. But there's a sting in the tail: Australia is not compelled to pay compensation to Timor-Leste, thereby allowing the Australian government and transnational energy giants to pocket the proceeds of 15 years of illegally denying Timorese sovereignty.

While posturing as a generous and benevolent neighbour, Australia has been bleeding Timor-Leste dry since independence. A good example is the Laminaria-Corallina field, which is twice as close to Timor-Leste as it is to Australia. Over its 15 years of production, this field has generated 6.8 billion dollars in sales. The Australian government collected a cool 2.2 billion dollars while Timor-Leste got ***nothing*** from this field.

La'o Hamutuk points out that Australia has collected 5 billion dollars in revenue from the various oil and gas fields in the Timor Sea. In contrast, the Australian government has spent 1.2 billion in aid to Timor-Leste and further 0.6 billion on military "assistance." Who has come out ahead in this arrangement?

Processing unresolved. While the establishment of the maritime border will be welcome, Timor-Leste and Australia remain at loggerheads about where the Greater Sunrise oil and gas will be processed. Chief negotiator for the Timorese, Xanana Gusmao, wants the resources piped to the south coast of Timor-Leste, where the country is planning a development called *Tasi Mane*. This will include a liquefied natural gas export plant at Beacu and an oil refinery and petrochemical works at Betano, and is intended to create jobs, infrastructure development and knowledge. The Australian government wants the resources piped to Darwin and processed at Wickham Point. Australia is offering Timor-Leste 80% of the revenue if the oil and gas, estimated to be worth more than 50 billion dollars, is processed in Darwin. Timor Leste says this offer, relating to resources almost exclusively within its sovereign territory, is far from generous! However, it is offering to settle for 70% if the oil and gas is piped to *Tasi Mane* for processing.

Gusmao has lambasted the Australian government, which he says is colluding with the oil and gas companies. Woodside Petroleum is Australia's biggest oil and gas producer, announcing a 1.3 billion full year profit in February this year. With its partners, Shell and Conoco Phillips, it continues profiteering at the expense of the Timorese.

The Timorese argue if the processing takes place in Darwin, the downstream benefits to Australia are more than 25 billion dollars and that this should go to Timor-Leste to be used for its development.

The Australian government's response is blunt and candid: by pushing for processing in Darwin it is doing what is in its "national interest," creating jobs and tax revenue for Australia. Keeping control over

the Timor Sea resources has long driven Australian foreign policy in the region: it backed Indonesia's occupation in return for Suharto agreeing to allow access to the resources under the Timor Gap Treaty.

Once ratified by both countries, the new treaty will, for the first time, create a clear maritime border between Australia and Timor-Leste. The bulk of the resources in the Greater Sunrise field are on the Timorese side of this border and the impoverished nation should get the benefits. That should be end the story. Yet again, the deal on offer, screws the Timorese and favours the interests of the Australian ruling class and Woodside Petroleum and its partners.

Timor-Leste need only look around the Pacific region for examples of what is in store if it cannot wrest back control over its own resources. The island country of Nauru was plundered by miners for its phosphate, briefly enriched from temporary revenue and now left environmentally devastated and impoverished.

The same interests that want to slash corporate taxes, muzzle unions, exploit insecure workers, keep wages low and erode public services, are the ones profiting from plunder in the Timor Sea. Working people in Australia have nothing to benefit from the ongoing theft of Timorese resources.

- ***Promptly conclude the maritime border between Australia and Timor-Leste half-way between the coastlines of the two countries***
- ***Those who profited from resources stolen since 1999 must pay full compensation to Timor-Leste***
- ***Support whistle-blowers: issue a passport immediately to Witness K***
- ***Hands off Timorese oil and gas! Respect the sovereignty of Timor-Leste!***