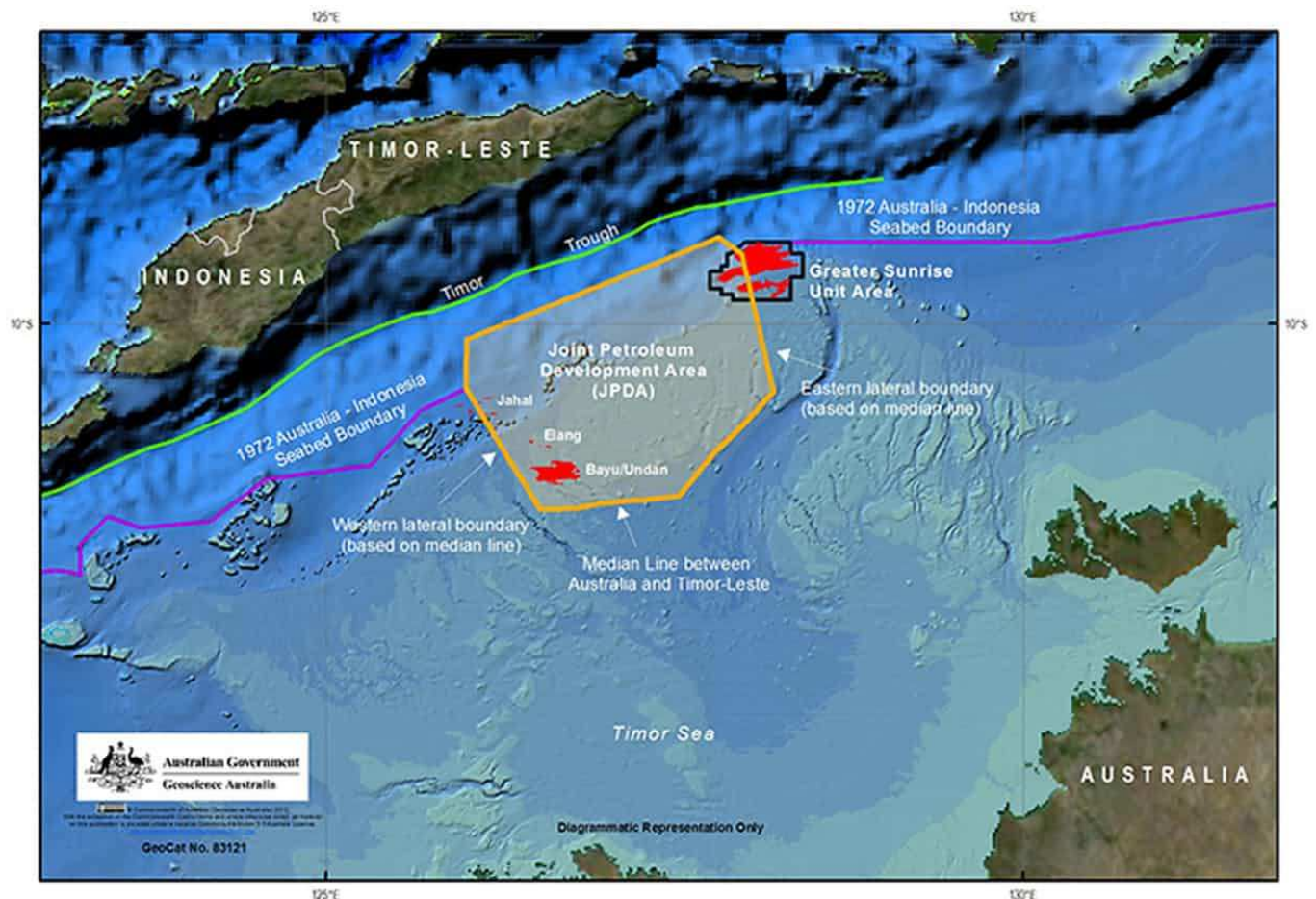


# The Guardian

## Australia and Timor-Leste to sign deal on contentious gasfield

New deal replaces previous attempt at treaty torn up after it emerged Timorese negotiators had been bugged



Australia and Timor-Leste will sign an agreement at the United Nations in New York, putting to rest a dispute that has dominated and soured relations since 2002. Photograph: Department of Foreign Affairs and Trade/AP

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Australia and Timor-Leste are expected to sign a historic maritime border treaty in New York, after decades of talks dogged by acrimonious dealings and accusations of greed and espionage.

But negotiations remained bitter until the end, with former Timorese president and chief negotiator, Xanana Gusmao, accusing Australia of collusion and revealing no deal was reached on how to develop the resources.

The border treaty, to be signed by Timorese minister, Agio Pereira, and Australia's foreign minister, Julie Bishop, at the United Nations at 5pm on Tuesday (New York time), will officially mark the border at the median line between the two countries - in line with international law - and not at the edge of Australia's continental shelf.

The border would divide the Greater Sunrise gas field, estimated to be worth about \$53bn, with 80% in Timor-Leste's economic zone.

Early negotiations had offered the fledgling nation less than 20% despite its closer proximity to Timor-Leste.

Timor-Leste, which regained full independent from Indonesia just 16 years ago, is a struggling economy almost fully dependent on oil and gas, but current reserves are expected to run out within the decade.

Jose Ramos Horta, a former president and prime minister of Timor-Leste, told the Guardian the development of Greater Sunrise was "an absolute necessity for the future wellbeing of this country".

"Because Bayu-Undan [oil field] is running out and the current expenditure of the petroleum fund can run out within 10 years or less," he said.

"So it's absolutely vital that if not Greater Sunrise, there is some other equally sizeable gas, oil or mineral discovery, before we can develop alternative sources of revenue, like tourism, agriculture, fisheries, or small scale and light industries, to make Timor-Leste completely independent from oil."

Ramos Horta said the deal should put an end to the "acrimonious controversy" of decades of negotiations.

"The friction that existed in the past, as acrimonious as they may have been, it never damaged the level of relationship [between the two countries]," he said. "Australia has remained always, even through the most acrimonious period, a steadfast partner of Timor-Leste."

However on the eve of the signing a letter emerged, written by Gusmao to the UN conciliation committee, dated 28 February, accusing Australia of colluding with oil companies.

In the letter obtained by the ABC, Gusmao said Australia was not neutral, and was actively supporting a Darwin pipeline, which could potentially be perceived as collusion. An offer of \$100m to Timor Leste amounted to a week's worth of revenue and Gusmao dismissed it as a PR exercise.

Gusmao, who has led negotiations, has consistently pushed for the gas to be piped to Timor-Leste for processing rather than Darwin.

He wrote that Timor-Leste was willing to give up an extra 10% of the revenue share in return for the gas being piped to his country, which would return \$25bn in economic benefits.

He suggested the Australian prime minister, Malcolm Turnbull, should use the estimated \$3bn extra revenue to improve the quality of life of Aboriginal and Torres Strait Islander people, which Gusmao said he had noticed no change in during his decades of visiting the Northern Territory. He annexed examples of Australia's Indigenous affairs policies and statistics to "explain the need".

The letter also accused the commission of lacking impartiality, showing a "shockingly superficial assessment" of Timor's needs, and attempting to put forward formal recommendations on development with flawed technical information.

He said Timor-Leste's only choice was to sign the agreement confirming the boundary but make no agreement on how Greater Sunrise would be developed.

Australia's negotiations with Timor-Leste over the lucrative reserves are marred by allegations of malfeasance and espionage.

Timor-Leste has maintained the border should be set at the median line, consistent with the 1982 UN convention on the laws of the sea (Uunclos). Australia has long claimed it had rights that

extended over its continental shelf, a concept much of the international legal community disagree with.

“The prevailing legal consensus is that if permanent maritime boundaries were established in keeping with current international law, then most, if not all, of the field would be located within Timor-Leste’s exclusive economic zone,” Tom Clarke, a Timor Sea Justice Campaign spokesman, said on Tuesday.

“This debate has never been about charity, it’s always been about justice and what the Timorese are legally entitled to.”

Early negotiations gave the country just 18% of revenue, and the 2007 Treaty on Certain Maritime Arrangements in the Timor Sea, which declared a 50-50 split, was torn up following revelations Australian spies had bugged the room of Timorese negotiators in 2004.

A whistleblower from the Australian secret intelligence service (Asis), known only as Witness K, alleged that he was involved in an operation to bug Timor-Leste’s cabinet room in 2004. The bugging operation was allegedly carried out to give Australia an advantage in what were highly sensitive talks over underwater resources worth tens of billions of dollars.

Timor-Leste launched action in The Hague, but the Canberra home of Timor-Leste’s lawyer, Bernard Collaery, was raided by intelligence agencies in 2013, an action Timor-Leste described as “unprecedented, improper and inexplicable”.

Witness K, who had planned to give evidence at the Hague, had his passport seized, preventing him from leaving Australia.

The warrants for the raids were issued by the former attorney general George Brandis, who denied they were designed to aid Australia’s case in The Hague.

Witness K subsequently launched the secret proceedings to recover his passport, which were resisted by the Australian government.

In 2016 Australian foreign minister, Julie Bishop, intervened in the case and refused to issue Witness K a passport, describing him as a threat to national security, an assessment Collaery described as “laughable”.

“How could it be a prejudice to Australia’s national security for K to repeat what he has said? And that is that an unlawful operation took place abroad,” he told the ABC.

That year thousands of Timorese protested the Australian embassy in Dili, accusing the country of “illegally occupying” Timorese territory.

The countries agreed to enter into a fresh round of negotiations early last year, and Timor-Leste dropped its case against Australia in the Hague, as a gesture of good faith.