



COMMONWEALTH OF AUSTRALIA

House of Representatives

Hansard

THURSDAY, 4 JULY 2019

CORRECTIONS

This is a **PROOF ISSUE**. Members may suggest corrections to their own speeches within 15 non-sitting days by contacting the Hansard office.

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PROOF

Timor Sea Maritime Boundaries Treaty Consequential Amendments Bill 2019**First Reading**

Bill and explanatory memorandum to this bill, and to the Passenger Movement Charge Amendment (Timor Sea Maritime Boundaries Treaty) Bill 2019, presented by **Mr Taylor**.

Bill read a first time.

Second Reading

Mr TAYLOR (Hume—Minister for Energy and Emissions Reduction) (11:46): I move:

That this bill be now read a second time.

The Timor Sea Maritime Boundaries Treaty Consequential Amendments Bill 2019 gives effect to the majority of the 2018 Treaty between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea. The treaty is an historic achievement for Australia and Timor-Leste and its

implementation is firmly in Australia's national interest. In introducing this bill, the government recognises the significance of this year, 2019, to the Timorese people. This year marks the 20th anniversary of the popular consultation that led to Timor-Leste's independence, and the beginning of our close security and development partnership.

The treaty will replace the Timor Sea Treaty between the Government of East Timor and the Government of Australia, which established the Joint Petroleum Development Area, and the Agreement between the Government of Australia and the Government of the Democratic Republic of Timor-Leste relating to the Unitisation of the Sunrise and Troubadour Fields.

Through this treaty, Australia and Timor-Leste have settled a long-running dispute over our maritime boundaries, agreed upon a pathway for the development of Greater Sunrise and laid the foundation of a new chapter in our bilateral relations. The treaty also provides for transitional arrangements to deliver stability and certainty for companies with operations in the Timor Sea; the express purpose being to ensure these companies can continue operations under conditions or terms equivalent to existing arrangements. Although additional taxation legislation is required to give effect to the agreed transitional arrangements, the Australian government wants to progress this bill now to demonstrate Australia's commitment to implementing the treaty. The remaining legislation will be introduced as soon as possible.

The treaty is a landmark for international law and the rules based order. It is the result of the first ever compulsory conciliation under the 1982 United Nations Convention on the Law of the Sea.

Australia and Timor-Leste demonstrated goodwill and preparedness to compromise during negotiations. Both countries, and the independent conciliation commission, recognise the outcome was fair, balanced and consistent with international law.

The bill proposes to give effect to the treaty by repealing parts of the Petroleum (Timor Sea Treaty) Act 2003 and transitioning the area of current joint administration known as the Joint Petroleum Development Area in recognition of Timor-Leste's sovereign jurisdiction. The Seas and Submerged Lands Act 1973 is also amended to establish and define the Greater Sunrise Special Regime Area as an area over which Australia will exercise its rights as a coastal state jointly with Timor-Leste.

This bill also implements the arrangements for the regulation of petroleum pipelines in areas of foreign continental shelf jurisdiction consistent with the terms of the treaty by providing for two new 'international offshore areas' for the purposes of the Bayu-Undan pipeline corridor and the potential Greater Sunrise pipeline corridor. The bill further provides for amendments to affected offshore petroleum titles as a consequence of the treaty. Necessary consequential amendments to give effect to all of these elements are made to other legislation by this bill.

This bill repeals provisions that gave effect to the superseded Timor Sea Treaty and international unitisation agreement, and amends the scheduled areas for the offshore areas of Western Australia, the Northern Territory, and the Territory of Ashmore and Cartier Islands affected by the maritime boundary.

This bill alters particular offshore petroleum permits and licences which adjoined the western side of the Joint Petroleum Development Area. The effect is to reflect that portions of Australia's continental shelf under titles held by certain Australian titleholders will transition to the continental shelf of Timor-Leste upon entry into force of the treaty. A consequence of this transition has also seen elements of exploration permit work programs transferred to new Timor-Leste production-sharing contracts as agreed in the parallel transitional arrangements negotiations.

This bill gives effect to the Greater Sunrise Special Regime area, established by annex B of the treaty. The purpose of the Greater Sunrise Special Regime is to facilitate the joint development, exploitation and management of petroleum activities in the Greater Sunrise gas fields.

This bill establishes the legal infrastructure required for the regulation of Greater Sunrise to be transitioned to a designated authority that will act on behalf of Australia and Timor-Leste.

This designated authority will, subject to the approval of the governance board for the Greater Sunrise Special Regime, enter into the Greater Sunrise production-sharing contract with the Greater Sunrise contractor. This will be done as soon as practicable following entry into force of the treaty and under conditions equivalent to the relevant production-sharing contracts, and to the legal rights held under the applicable retention leases currently in place in accordance with article 22 of the Timor Sea Treaty and article 27 of the international unitisation agreement.

This bill also maintains and incorporates the Eastern Greater Sunrise offshore area into the Northern Territory offshore area, to ensure the Australian retention leases in the Eastern Greater Sunrise offshore area continue

uninterrupted until such time as the Greater Sunrise production-sharing contract commences. The Offshore Petroleum and Greenhouse Gas Storage Act 2006 will continue to apply to these retention leases during this period.

Overall, this bill fundamentally demonstrates Australia's commitment to a robust, mutually beneficial bilateral relationship with Timor-Leste specifically, and to international law and the rules based order more generally. This bill lays the foundation for a stronger relationship with Timor-Leste and creates a pathway for the development of Greater Sunrise, the economic benefits of which will be significant, particularly for Timor-Leste.

I commend this bill to the chamber.

Debate adjourned.

Passenger Movement Charge Amendment (Timor Sea Maritime Boundaries Treaty) Bill 2019

First Reading

Bill presented by **Mr Taylor**.

Bill read a first time.

Second Reading

Mr TAYLOR (Hume—Minister for Energy and Emissions Reduction) (11:53): I move:

That this bill be now read a second time.

The Passenger Movement Charge Amendment (Timor Sea Maritime Boundaries Treaty) Bill 2019 complements the Timor Sea Maritime Boundaries Treaty Consequential Amendments Bill 2019.

This bill amends the Passenger Movement Charge Act 1978 by replicating the imposition of the passenger movement charge in relation to journeys to an installation in the special regime area.

This package of bills gives partial effect to the 2018 Treaty Between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea.

I commend this bill to the House.

Debate adjourned.