

Will a “New Phase” in the Australia/ Timor-Leste Relationship Counter China?

Future Directions International, 4 September 2019

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Background

Australian Prime Minister Scott Morrison announced a ‘new phase’ in bilateral relations with Timor-Leste while on a visit from 30 to 31 August to attend the commemoration of the 20th anniversary of the 1999 referendum of independence. During his visit, Morrison met with Prime Minister Taur Matan Ruak in Dili and they brought into force the previously-signed treaty on maritime boundaries in the Timor Sea. At a [joint press conference](#) in Dili, Morrison announced a new maritime security package, which includes funding for a new naval base and the provision of patrol boats to the Timor-Leste Defence Force (F-FDTL). Australia will also fund the building of a sub-sea cable link between the two countries.

Comment

The announcements by Morrison seem to be targeted at drumming up goodwill within the Timor-Leste Government. Since Timor-Leste’s independence in 2002, its relationship with Australia has been dominated by discussions and negotiations surrounding its maritime boundary and the oil and gas fields in the Timor Sea.

Australia’s approach to those negotiations has left some bitterness among Timorese officials. Just months before Timor-Leste’s independence was restored in 2002, Australia announced that it would withdraw from the International Court of Justice and the United Nations Convention on the Law of the Sea (UNCLOS), which govern maritime boundary claims. Consequently, Australia’s negotiating position was made clear to Timor-Leste; which upset the man expected to be the Prime Minister, who called the move ‘a sign of a lack of confidence in us, and an unfriendly act’.

Two years later, Australia bugged the room being used by Timorese negotiators, while negotiating a treaty (CMATS) on the revenue split of the Greater Sunrise oilfield. After details surrounding the bugging operations were made public, CMATS was terminated in 2017, as was the clause that maritime boundary negotiations would be halted until 2057, or until after the Greater Sunrise oilfield was depleted. That paved the way for Timor-Leste to bring Australia to the Conciliation Commission of UNCLOS, so that boundaries could finally be negotiated, overruling Australia’s previous objections.

With negotiations complete and the treaty on maritime boundaries now in force, perhaps both countries are willing to move into the next phase of the

bilateral relationship. Morrison's commitment to an undersea cable and funding for a naval base are important first steps in dictating the tone of that relationship. While Australia has been a significant aid donor to Timor-Leste since 2002, which continued while negotiations took place, those commitments were overshadowed by bitter sentiments, fuelled by accusations that the Australian Government is giving with one hand and taking with the other.

There is a strategic element to Morrison's announcement of a 'new phase' in the relationship. Concerns are rife in Canberra that Dili's desperation for infrastructure investment could see China gain a significant foothold in the country through its Belt and Road strategy. Simply put, Australia cannot compete with China on that front. Australian financial aid to Timor-Leste is at around \$100 million each year. That is but a drop in the ocean in comparison to the sum of approximately \$20 billion that Dili is seeking from international partners to fund its Tasi Mane project. Beyond its investment strategies, China's aid to the country, while small in comparison, has had the luxury of being free from comparisons to the money lost in unfavourable oil negotiations.

There is hope that Australia, as a close geographical neighbour, can play a much larger role in Timor-Leste through its defence and maritime security relations. Australia has provided training to F-FDTL since 2001 and has taken part in multilateral naval exercises involving its military forces. The recently announced maritime security package, however, does not set Australia apart from other defence partners. China has already developed close defence ties, through military exercises, selling patrol boats and providing funding for the construction of a military headquarters. Significantly more progress will be needed, therefore, if Australia is to realistically hope that its defence relationship will counter the influence of China.