

Timor-Leste oil revenue question must wait until after election, Labor says

Shadow foreign minister Penny Wong hopes parliament will ratify the maritime border treaty as soon as possible



Penny Wong says the Timor-Leste oil revenue issue 'would have to wait for consideration after the election'. Photograph: Kelly Barnes/AAP

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Tue 23 Apr 2019 16.46 AEST

Calls for Australia to repay a year's worth of oil and gas revenue to Timor-Leste will not be considered by the Labor party before the election, Penny Wong has said.

Wong, the shadow minister for foreign affairs, expressed disappointment that the historic maritime border treaty - signed in March 2017 at the United Nations - had not been ratified.

Last week Guardian Australia reported Australia had continued to take a 10% share of revenue - equating to millions of dollars a month - from the highly profitable but rapidly depleting Bayu-Undan oil fields in the Timor Sea.

The treaty determined the fields to be entirely owned by Timor-Leste, but it does not come into force until ratified by parliament.

"It's a pity that it has not as yet been finalised legally, in terms of ratification, and we would hope that could occur as

soon as possible after the election,” Wong said on Monday.

Asked whether Labor would repay the money Wong said she “wasn’t going to get into details about that”, adding later that it was an issue which “would have to wait for consideration after the election”.

“Obviously we are an important development partner for Timor-Leste, and that would continue under a Labor government,” she said.

“We’ve also made commitments around overseas development assistance, and we had a very different view from the current government on the boundary.”

Bayu-Undan is among a number of resource projects which have been profitable for Australia over several decades - some which have since been exhausted - before the treaty determined they belonged to the tiny nation.

At the time of the treaty signing - which was widely welcomed after decades of fractious negotiations, including spying allegations and accusations of greed - both countries agreed there would be no claim for compensation of the billions of dollars in past revenue.

Neither nation has yet ratified the treaty, and Timor-Leste officials have said the transitional arrangement negotiations are progressing well.

However, human rights and governance groups have questioned Australia’s continuing to take profits in the 13 months since the treaty was signed.

The former Timor-Leste president and prime minister, and Nobel Laureate, Jose Ramos-Horta, told Guardian Australia he believed the Australian government “would reimburse every cent it wrongly received”.

The federal government - through the Department of Foreign Affairs and Trade and its minister, Marise Payne - has rejected suggestions there was any delay to the ratification. The first tranche of legislation passed last year, but a second did not go through before the election was called.

“There is no delay and there has not ever been a set timeline for ratification,” a spokesman said.

“The treaty requires the completion of what are very complex transitional arrangement negotiations between Timor-Leste, Australia and the affected petroleum companies.”

Steve Bracks, the former Victorian premier and founder of the Timor-Leste governance project, has said there is no reason it could not have been ratified last year.

“[Timor-Leste] is being denied that money because of the dysfunction of the Australian government and its insistence that parliament needs to ratify the treaty,” Bracks said last week. “Under executive fiat they could have just proceeded.”

Bracks, who is also an occasional adviser to Timor-Leste, called on Australia’s political parties to commit to repaying the money collected since March 2018, when the treaty was signed.

Wong did not respond to requests for further comment and clarification.