

13 June 2003

The Committee Secretary,
Joint Standing Committee on Treaties,
Parliament House,
Canberra ACT 2600.

Dear Sir,

**Re INQUIRY INTO UNITIZATION OF GRATER SUNRISE AND
TROUBADOUR FIELDS.**

Oxfam Community Aid Abroad welcomes the opportunity to make a submission to the Joint Standing Committee on Treaties' Inquiry into the *Agreement Between The Government of the Democratic Republic of Timor-Leste and the Government of Australia Relating to the Unitisation of the Sunrise and Troubadour Fields and the Memorandum of Understanding Between the Government of the Democratic Republic of Timor-Leste and the Government of Australia Relating to the Exploitation of the Sunrise and Troubadour Petroleum Fields in the Timor Sea (hereafter referred to as the IUA and MOU)*

Background.

Oxfam Community Aid Abroad is an independent, secular Australian organisation working in over 30 countries and in Indigenous Australia. Our vision is of a world in which people control their lives, their basic rights are respected and their environment is sustained. In working towards this vision, we integrate both our overseas projects and our advocacy programmes. Oxfam Community Aid Abroad is the Australian member of Oxfam International and a member of the Australian Council for Overseas Aid (ACFOA).

Oxfam Community Aid Abroad and other Oxfam affiliates have a long history of support for a free and independent Timor-Leste and are currently engaged in a variety of development projects within Timor-Leste aimed at reducing poverty at the community level as well as supporting the emergence of a strong and robust civil society and government at the national level. Recognising the importance of the resources of the Timor Sea as a major potential contributor to the above aims, Oxfam Community Aid Abroad has sought to identify, review and analyse the complex issues and dynamics of the negotiations regarding the resources of the Timor Sea. Our aim is to support the process to find a solution that is fair to all parties and recognises Timor-Leste's long term development needs.

Oxfam Community Aid Abroad believes that failure to unlock the resources of the Timor Sea for the maximum benefit of Timor-Leste may have significant consequences for its longer term development, economic self reliance, stability as well as overall

regional security. Maximising the revenue stream from oil and gas currently represents the Government of the Democratic Republic of Timor-Leste's greatest hope for meeting their people's basic rights to services including primary health care and education as well as providing significant opportunities for economic growth. In this respect we believe that a politically and economically stable East Timor is in Australia's national interest.

Committee to Reject IUA Pending Reinstating Adherence to ICJ and ITLOS.

Oxfam Community Aid Abroad strongly urges the Committee to reject the International Unitization Agreement (IUA) until such time that Australia has reinstated its adherence to the International Court of Justice (ICJ) and the International Treaty in the Law of the Sea (ITLOS).

The Government of the Democratic Republic of Timor-Leste has consistently sought to establish maritime boundaries with its neighbours. In addition, the Government of the Democratic Republic of Timor-Leste, while recognising the need to ensure expedient revenue flows from the Timor Sea, has consistently considered the various Timor Sea agreements between the two countries to not prejudice future delimitation of maritime boundaries between Australia and the Democratic Republic of Timor-Leste.

As the Committee would be aware from our previous submission (attached) regarding the *Timor Sea Treaty and Related Exchanges of Notes between the Government of Australia and the Government of the Democratic Republic of Timor-Leste* (hereafter referred to as the "Timor Sea Treaty"), Oxfam Community Aid Abroad recognised that for Timor-Leste, it is critical to secure the resources from the Timor Gap as quickly as possible. However Oxfam Community Aid Abroad expressed a range of concerns with the terms of the treaty as it was proposed. Whilst we recognised that delaying the treaty was not a financially responsible option for the future economic viability and social stability of East Timor, we strongly urged the Committee to reiterate that Treaty ratification in no way inhibit the extent of East Timor's maritime claims. Our submission was quoted by both the dissenting and assenting parties in JSCOT findings for the signing the Timor Sea Treaty. In our submission we requested that the Australian Government act in good faith and refrain from improper intervention.

Australian Negotiation Tactics – Timor Sea Treaty.

Oxfam Community Aid Abroad is concerned at the negotiation tactics employed by the Australian Government in the lead up to signing the Timor Sea Treaty on the 6th March 2003. By insisting that the IUA for Greater Sunrise and Troubador was signed by the Government of Timor-Leste prior to the Australian Government agreeing to sign the Timor Sea Treaty, the Australian Government effectively held "hostage" the revenues from the Bayu-Udan fields. These tactics, although described as a "lesson in politics", were clearly not in the best interests of the people of Timor-Leste.

Recommendations.

Oxfam Community Aid Abroad calls for the Committee to recommend the Australian Government not proceed with execution of the International Unitization Agreement until the following preconditions are met;

- The Australian Government reinstates Australia's adherence to the dispute settlement mechanisms of the International Court of Justice (ICJ), and International Treaty in the Law of the Sea (ITLOS).
- The Australian Government publicly declares that Australia recognises its international legal obligation to engage with East Timor in "good faith" towards the achievement of permanent maritime boundaries.
- The Australian Government establishes a definitive time frame, not to exceed five years, in which boundaries will be settled, with or without a joint development agreement, or otherwise referred to an impartial independent arbitration.
- The Australian Government excises the Timor Gap from Australia's submission to the United Nations Commission on the Continental Shelf (UNCCS)
- The Australian Government recognises that inclusion of a continental shelf claim extending to the Timor Trough in Australia's 2004 submission to the UNCCS will further complicate and delay progress towards a boundary settlement with East Timor.

Oxfam Community Aid Abroad believes that a treaty which reflects a publicly stated and time bound commitment to good faith negotiation of maritime boundaries between our two nations is in Australia's national interest. By entering into the Treaty and at the same time fulfilling the above principles, Australia has the opportunity to assist East Timor towards the goal of economic self sufficiency. Not only does this represent a humanitarian and supportive approach on the part of the Australian Government which would be widely applauded by the Australian community, it also serves Australia's broader regional security and foreign policy interests.

Oxfam Community Aid Abroad would welcome the opportunity to provide oral evidence to the Committee upon request.

Yours sincerely,

James Ensor,
Director of Public Policy and Outreach.