

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Department of Industry, Science, Energy and Resources

Inquiry into the Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery Levy) Bill 2021 [Provisions] and Treasury Laws Amendment (Laminaria and Corallina Decommissioning Cost Recovery Levy) Bill 2021 [Provisions]

08 November 2021

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Consideration given to transferring the tenements to Timor Leste

REFERENCE: Question on Notice (Hansard, 08 November 2021, Page 24)

QUESTION No.: 2

Senator PATRICK: In terms of Timor Leste, was any consideration given to transferring the tenements to Timor Leste?

Mr Trotman: There are a number of decisions and a number of considerations that the government undertook as part of this exercise. But I might have to take that on notice in terms of whether the government actively looked at a Timor Leste option.

Senator PATRICK: Ms Schofield might have the details on that. I think she's transferred across to Health. These fields will eventually be located on the Timor side of the line, won't they? Is that how it works?

Mr Trotman: I might ask our expert in these matters, Ms Marie Illman who heads up the offshore resources branch, to take that question.

Ms Illman: Your question relates to whether the LamCor fields will transition over to the Timor Leste side of the boundary.

Senator PATRICK: That's correct.

Ms Illman: There are two conditions in the treaty between Australia and Timor Leste for that situation to occur, the commercial depletion of the LamCor fields and the delimitation of maritime boundaries between Indonesia and Timor Leste. The timing of that set of activities is a matter for the countries, Timor Leste and Indonesia. The treaty with Timor Leste provides for those two conditions to be met for that transition to occur.

ANSWER

Article 3 of the *Treaty Between Australia and the Democratic Republic of Timor-Leste Establishing their Maritime Boundaries in the Timor Sea* describes the agreement reached between the States with respect to the Laminaria and Corallina Fields.

Specifically Article 3 states:

1. Should Timor-Leste and Indonesia agree an endpoint to their continental shelf boundary west of point A17 or east of point A16 on the 1972 Seabed Treaty Boundary, the continental shelf boundary between Australia and Timor-Leste shall be adjusted in accordance with paragraphs 2, 3 and 4 of this Article.
2. On the later of:
 - (a) the Commercial Depletion of the Laminaria and Corallina Fields; and
 - (b) the entry into force of an agreement between Timor-Leste and Indonesia delimiting the continental shelf boundary between those two States,

the continental shelf boundary between Australia and Timor-Leste shall, unless paragraph 3 of this Article applies, be adjusted so that it proceeds in a geodesic line from point TA-2, as defined in Article 2(1) of this Treaty, to a point between points A17 and A18 on the 1972 Seabed Treaty Boundary at which the continental shelf boundary agreed between Timor-Leste and Indonesia meets the 1972 Seabed Treaty Boundary.

3. In the event that the continental shelf boundary agreed between Timor-Leste and Indonesia meets the 1972 Seabed Treaty Boundary at a point to the west of point A18 on the 1972 Seabed Treaty Boundary, the continental shelf boundary shall be adjusted so that it proceeds in a geodesic line from point TA-2, as defined in Article 2(1) of this Treaty, to point A18.

The full text of the Treaty can be found at <https://www.dfat.gov.au/sites/default/files/treaty-maritime-arrangements-australia-timor-leste.pdf>