

Australia Dossier by Robert Barwick

Australia Ravages Timor-Leste

In stealing oil and gas revenues, Australia commits genocide against the world's poorest nation.

The Australia-based energy company Woodside Petroleum, 34% owned by Royal Dutch Shell, announced on Jan. 13 that it had stopped work on the Greater Sunrise natural gas project in the Timor Sea, citing "legal and fiscal uncertainty." This followed the refusal of the Government of Timor-Leste (East Timor) to ratify a 2003 agreement with Australia, signed under duress, which divided revenue from Great Sunrise, 80 to 20 in Australia's favor. By international law, the field lies entirely in Timor-Leste's territory. (See *EIR*, Jan. 14, 2005.)

The stakes are huge: Greater Sunrise has reserves of 300 million barrels of condensate (light oil), and 7.8 trillion cubic feet of gas, estimated to be worth \$22-25 billion over 30 years. It is the largest of a number of oil and gas fields, which lie on Timor-Leste's side of the halfway point between it and Australia's coastline (Greater Sunrise is 80 km from Timor-Leste, but 450 km from Australia.) If Timor-Leste's rightful claims are recognized, it stands to collect U.S.\$12 billion in taxes and royalties over the next three decades, which will give the country actual independence, after its juridical independence in 1999.

Right now, however, it is getting only a pittance in oil and gas revenues, and Australia is using Timor-Leste's extreme poverty to try to force it to cede its rightful claims in return for a tiny bit of cash in hand.

As the world's newest, but poorest nation, Timor-Leste desperately needs the money. Its per capita Gross Domestic Product (GDP) is \$478, the

lowest in the world, and 41% of Timorese live below the nation's poverty line. Timor-Leste has an annual budget of just \$74 million for its approximately one million population—about \$74 per person. Aside from some oil and gas revenues, it is almost entirely dependent on foreign aid, which accounts for 56% of GDP.

This extreme poverty is devastating the population. The life expectancy is just 57 years; at birth, there is a 33% probability of not surviving to age 40. Infant mortality is 89 per 1,000 births, and more than one in ten Timorese children born today will die before the age of five; 43% of children under five are underweight, and 47% have stunted growth.

The case of 12-year-old Julmira Babo captures the extreme plight of Timor-Leste. She was playing outside in her village, when she collapsed. In a country with just 16 doctors, Julmira's family had few options, except to carry her to their hut, and administer traditional medicines, to no avail—and within a few days she died. An autopsy performed by a United Nations pathologist was shocking: Inside her little body were hundreds of large worms, which had travelled from her stomach up her esophagus and into her mouth, blocking her windpipe and literally choking her.

"In my entire career as a pathologist in the Third World, I have never seen anything like it," Timor-Leste's sole pathologist, Dr. Nural Ismal, told London's *Independent* in May 2004. Although worm tablets are just a few cents per head, Timor-Leste cannot af-

ford a national de-worming program in schools, and so thousands of children like Julmira suffer malnutrition, stunted growth, and anemia, from worms.

Timor-Leste's President Xanana Gusmao is pinning his country's future on its oil and gas claims. "Our people fought for so many years, not to have a flag or a President, but because they believed independence would bring them a better life," he told the *Independent*. "We have had four and a half years of begging from foreign governments, but we still have to import rice, we still have schools without roofs and desks. The [oil and gas] money could produce a miracle here. We are a small country and we could eradicate poverty, illiteracy, disease."

Australia has other ideas. It plans to steal many billions of dollars of oil and gas revenues which should flow to Timor-Leste. In fact, it has already started: since 1999, Australia has been grabbing \$1 million per day in oil and gas revenues which are rightfully Timor-Leste's. Australia insists that its continental shelf should be the boundary between the two countries, instead of the halfway point. Under Australia's policy, Timor-Leste won't realize any significant revenue unless it caves in, because energy companies like Woodside demand "political certainty" for their long-term contracts. Worse, Australia insists on negotiating once every six months, which threatens to drag out the negotiations for years.

So far Timor-Leste, and President Gusmao, have refused to bow to Australia's tactics. "What we are claiming is not in the Gulf of Carpentaria [off Australia's Northern Territory]," Gusmao insists, "It is very, very near us. We are not doves; we are a proud people with dignity. We only claim what is ours." How long their resolve can last is unclear.