Cooperation between Timor Leste and Australia to Address Oil and Gas Exploration Conflicts in the Timor Gap

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Abstract: The main objective of cooperation between countries is to solve problems or conflicts under international threats where the countries concerned claim their rights according to the demands of their national interests which can affect their existence as a sovereign state in the eyes of the international community. This study takes the perspective of actor-oriented diplomacy and negotiation to analyze the resolution of the oil and gas exploration conflict in the Timor Gap. This reveals a way of solving the oil and gas exploration conflicts in the Timor Gap rooted in the claims of Timor Leste and Australia related to the oil and gas area located on their maritime border, which has resulted in conflict between the two countries ever since Timor Leste was established as a sovereign state. The political and economic structure of the two countries is markedly different because politically, Timor Leste adopted a semi-presidential system and its political economy depends on the sector of oil and gas and non-oil and gas. Meanwhile, Australia politically adopted a federal state system whose sovereignty depends on the central government and its political economy is derived from the industrial and investment sectors. The focus on resolving disputes between the two countries is how to strengthen the diplomacy and negotiation strategies of the two parties which arrive at a solution through UN mediation in UNCLOS. The most basic conflict is the causative factor that triggers the prolonged conflict between the two countries in the Timor Gap, starting from Australia’s negligence to discuss the maritime borders with Timor Leste, and the act of wiretapping perpetrated by Australia against Timor Leste to obtain documents that had been agreed upon based on several agreements signed in both countries, specifically CMATS. Moreover, from the diplomacy and negotiation processes of the two parties involving a third party, it can be concluded that needs-based conflicts require problem-solving involving parties in the hope that the future of the country will obtain the best solution between the conflicting parties with great confidence towards the end point. This consists of creating harmony between the two parties for the future of the country, be it on the political, economic, security or social side. Finally, Timor Leste and Australia reached the settlement of the conflict between the two countries with the ratification of permanent maritime borders on 30th August 2019 to resolve their maritime border problems forever.

Keywords: Cooperation, Timor Leste-Australia, conflict, oil and gas exploration, diplomacy, negotiation

1. Introduction

This study will focus on Australia-Timor Leste negotiations and diplomacy in resolving the oil and gas exploration conflict between the two parties in the Timor Gap, on the Timor Leste-Australia maritime border since Timor Leste became a sovereign country on 20 May 2002. Timor Leste has not yet resolved the problem of maritime borders with Australia, which left the two countries in a disharmonious international political environment, until Timor Leste raised the issue of maritime borders related to the oil and gas area located on their maritime border, which has resulted in conflict between the two countries ever since Timor Leste was established as a sovereign state. The political and economic structure of the two countries is markedly different because politically, Timor Leste adopted a semi-presidential system and its political economy depends on the sector of oil and gas and non-oil and gas. Meanwhile, Australia politically adopted a federal state system whose sovereignty depends on the central government and its political economy is derived from the industrial and investment sectors. The focus on resolving disputes between the two countries is how to strengthen the diplomacy and negotiation strategies of the two parties which arrive at a solution through UN mediation in UNCLOS. The most basic conflict is the causative factor that triggers the prolonged conflict between the two countries in the Timor Gap, starting from Australia’s negligence to discuss the maritime borders with Timor Leste, and the act of wiretapping perpetrated by Australia against Timor Leste to obtain documents that had been agreed upon based on several agreements signed in both countries, specifically CMATS. Moreover, from the diplomacy and negotiation processes of the two parties involving a third party, it can be concluded that needs-based conflicts require problem-solving involving parties in the hope that the future of the country will obtain the best solution between the conflicting parties with great confidence towards the end point. This consists of creating harmony between the two parties for the future of the country, be it on the political, economic, security or social side. Finally, Timor Leste and Australia reached the settlement of the conflict between the two countries with the ratification of permanent maritime borders on 30th August 2019 to resolve their maritime border problems forever.

In this case, the response is placed on the willingness of the country of Timor Leste which sincerely hopes that the problem of oil and gas exploration in Timor Gap will soon be resolved with Australia to complement sovereignty under the
new name Nação República Democrática de Timor Leste. The only way of surmounting this conflict is through cooperation between the two countries and support from the contribution of the parties because Australia has always avoided Timor Leste's request to resolve the oil and gas exploration conflict in the Timor Gap since before and after Timor Leste's independence year.

In connection with the resolution of this conflict, there is an article written by Francis Fukuyama, entitled 'The End of History and The Last Man', which states that with the end of the fierce Cold War rivalry between the two world powers of the United States and the Soviet Union, the life of the international community was far more concerned with peace due to increased cooperation between countries in the world which is accompanied by the realization of social welfare, including economic and political stability. Fukuyama mentions that this condition is the end of war history to create international stability in the world (Abdul Jabbar, 2015).

In view of the above, this provides new challenges for countries in the world to open themselves up to establishing cooperative relationships to respond to differences between countries in the world in political, security, economic, social and cultural aspects with the main objective of creating international peace, guaranteeing security stability and security of the state and improving the welfare of the people to maintain their sovereignty.

The Timor Leste-Australia conflict on the maritime border of the two countries has encouraged Timor Leste to work hard to resolve the oil and gas exploration conflict in the Timor Gap with Australia, in relation to the agreement signed by Australia-Indonesia from 1972 (Gudmund Jannotis, 2019), and accompanied by the ZOC agreement in 1989 in the year East Timor was under colonial rule (Lao Hamutuk, 2006). In this agreement, the Portuguese government was not involved in the Australia-Indonesia request to resolve maritime border problems from that year, because according to Portugal, the maritime boundary issue between Timor Leste and Australia must be resolved in accordance with international law by using the diameter of one country with its neighbors (RizkiRoza, 2018).

The maritime border between the two countries naturally lies in the southern region of Timor with a distance of three miles inland. However, the area is largely controlled by Australia with a continental shelf including an economic exclusive zone which is very close to the Indonesian state in accordance with the provisions of international law (Pat Brazil, 2002). At that time, the Portuguese government already knew that Timor Leste would soon become a sovereign state, therefore Portugal always emphasized that the oil and gas area in Timor Gap is part of the territory of Timor Leste required under international law (Peter A Glover, 2005).

In the era of Timor Leste's independence, Timor Leste-Australia subsequently started to draw up the Timor Sea Treaty (Timor Sea Treaty, 2002). In 2003 it continued with the Troubadour Unitization Treaty, (Ana E. Batista et al., 2015), and at 2006 with the CMATS agreement, (Tiara IkaWinarni, 2006). In some of the agreements serving as a guide for the two countries to carry out activities in the oil and gas area on the Timor Leste-Australia border, the two countries show good intentions and focus on the politics of oil and gas exploration in the Timor Gap, so this can also become a benchmark in solving state problems for the future, especially regarding the maritime borders of the two countries. The politics of oil and gas exploration is running, and Timor Leste uses various diplomacy and negotiations to convince Australia to talk about resolving maritime borders between the two countries.

Then in 2012, the international community was highly concerned about what was happening to the two countries, where there was a former agent of the Australian Secret Intelligence Service, conveying a leak to the Timor Leste government that Australia was using various strategies to eliminate the documents contained in its agreements. Until that time, Australia had been trying to employ hidden wiretaps related to the Timor Leste government's internal discussions regarding the CMATS negotiations in Timor Leste's meeting room in Canberra (Report, 2007).

Departing from Australia's negligence toward Timor Leste's request, it was the wiretapping case that prompted Timor Leste to take further action by sending a letter of cancellation of the CMATS agreement for Australia and a notification letter to the Permanent Court of Arbitration (PCA), on 23 April 2013 based on the provisions of the Timor Sea Treaty (Timor Sea Treaty) from the year Timor Leste declared its independence (Report, 2019). Timor Leste initiated all political strategies to bring Australia to the negotiating table with the target of resolving the oil and gas exploration conflict on the maritime borders of the two countries.

The main question of this study deals with how the cooperation between Timor Leste and Australia was achieved through diplomacy and negotiations to resolve the oil and gas exploration conflict in the Timor Gap. To address this issue, it is divided into several steps, the first one being the background, the second is the study of diplomacy and negotiation theory, the third will explore the conflict between the two countries and the negotiations of the two parties, and the fourth is an analysis of conflict resolution with the relevance of diplomacy and negotiation theory to the agreement between the two countries, as included in the conclusion.

2. Diplomacy and Negotiation Theory

2.1. Diplomacy Theory

Diplomacy tends to be associated as soft power, and the use of military force is considered as hard power. The Oxford Advanced Learner's Dictionary of Current English states that diplomacy is the skill in making arrangement cleverness in dealing with the people so that they remain friendly and willing to help. Meanwhile, Sir Ernest Satow interpreted diplomacy as the application of tact and intelligence to conduct foreign relations between the government and the independent state (Budyanto P. Sudarsono et al., 2018). In this case, it can be interpreted that diplomacy is a skill to determine how to gain one's interests without causing hostility. Diplomacy for every country is the safeguarding of national interests, political freedom and territorial integrity.
Therefore, the main aim of diplomacy is to ensure the maximum benefit of the State itself, and its vanguard interest appears to be the maintenance of security. The main function of the implementation of diplomacy is negotiation and the scope of diplomacy is to resolve differences and ensure the interests of the State through successful negotiations, but if those should fail, war is part of the means of diplomacy, so that in the diplomatic process a State will definitely carry out three of these diplomatic measures. In addition, there are three basic ways in the implementation of a country’s diplomacy, namely cooperation, persuasion and conflict.

A country seeks to carry out an astute foreign policy peacefully but cannot stop comparing its own goals with those of other countries according to the suitability of its objectives. When the country’s goals are inadequate, country A will determine that its goals are important to its own country so that these goals must be achieved, even though they may not be in accordance with the objectives of country B.

On the other hand, if country A finds that its goals are very important to its national interests, country A will first look at the goals of country B that are not in accordance with those goals, then only then the goals matched between the two (RendiPrayuda, Rio Sundari., 2019). Diplomatic bargaining positions, namely by giving and receiving compromises in different ways, is used in the practice of diplomacy, of which there are three, namely persuasion, compromise and the threat of force of arms.

Then there is the concept of coercive diplomacy (which is often assumed to be a process that tends to be peaceful and cooperative while being coercive) is synonymous with threats, coercion or even violence. Coercive diplomacy was first put forward by Alexander L. George in 1971 in his book The Limits of Coercive Diplomacy (Muhammad H. Rahim, 2019). According to George, it has two main objectives, namely to stop or to cancel dangerous actions that have been carried out by the target country.

In its application, George’s version of this Coercive Diplomacy strategy involves four variables consisting of a request for a container or a mechanism to create a sense of urgency to the request (such as a time-limit); threats of penalties for non-compliance; and the use of various incentives. The variation of these variables will determine which Coercive Diplomacy strategy a country will take, whether it is an ultimatum, tacit ultimatum, try-and-see approach, or gradual turning of the screw. Coercive diplomacy only has three main variables consisting of demand, threat and time pressure. First, a specific request to the opponent must be formulated with the aim of stopping or reversing the action that has already been initiated by the opponent. Second, this request must also be supported by threats that are explicit or implicit. Third, to increase the credibility of these threats, it is necessary to have time pressures in the form of deadlines for compliance.

Factors that can determine the success of coercive diplomacy are several factors in determining the effectiveness of a coercive diplomacy strategy through sanctions, namely: legitimate basic purpose, legitimate request, showing no fear of any threat, proportional threat, threat supported by public opinion, fear of escalation of conflict, reputation, credible time pressure, absolute motivation and relative motivation. From the coercive perspective mentioned above, we proceed to the concept of public diplomacy to explain how the state interacts in the use of various diplomatic strategies in gaining its targets from the country concerned. Therefore, public diplomacy in the development of the situation in the world today, actors, and current technology has made the direction of traditional diplomacy shift to a more modern diplomacy these days, which is public diplomacy.

The development of information technology makes various choices as a diplomatic tool. In the current era, there are many other world issues such as the environment, tourism and culture, terrorism, health, and human rights as well as demands for state interests in welfare stability and maintaining harmony in the community environment, both the national community and the international community in the global arena, which is the main target of public diplomacy.

Public diplomacy is the threshold for countries in the world to introduce more to what is the main goal of the state to other communities in an international environment where they can interact with each other. Public diplomacy according to J.B Manheim has the following meaning: ‘Effort by government of one nation to influence public or elite opinion in a second nation for the purpose of turning foreign policy of the target nation to advantage (Reign I. S. Susanto, Supriyadi, 2015).

Public diplomacy is defined as an effort to achieve the national interest of the country through informing, understanding, and influencing people abroad to be able to provide responses which enable other countries to pay attention to what is being held or faced by the country concerned, and how the international community views us. In other words, if the traditional diplomacy process is developed through the government-to-government relations mechanism, public diplomacy more strongly emphasizes government to people or people-to-people relations. The goal is that the international community has a good perception of a country as a social foundation for relations and the achievement of broader interests.

The informing process includes the use of print or electronic media such as the use of news on the implementation of activities in newspapers, making pamphlets, empowering information through Facebook, news to disseminate information about what the state wants to convey, so that it can be easily accessed by the international community at large.

Meanwhile, the understanding process is a process that provides an understanding and explanation of the conditions and state of the country or information about the culture being promoted so that it can be fully understood by the people who receive information from the country concerned.

The influencing process is the final process of a series of processes carried out previously where at this stage it is a description of the results in the form of a response from the audience to the information presented. One way that can be taken in carrying out public diplomacy efforts is to send or introduce the state and local communities of one country to another.
2.2. Negotiation Theory

In international relations, during the emergence of negotiations between countries or interested parties there is always a final agreement by the parties which can give the disputing parties confidence to produce an agreement that benefits both parties. Negotiation is the process of submitting and considering offers until an offer is accepted by interested parties. Negotiation also means consideration, discussion, or conference with reference to a draft agreement. Furthermore, negotiation is a peaceful settlement of disputes through negotiations between the disputing parties. According to Oliver in Hartman, negotiation is a transaction in which both parties have the right to the final result. The definition of negotiation varies depending on the point of view of the parties involved in a negotiation process (With Clients, ZulfaUlinuha, 2013).

In this case, there are two parties involved in the negotiation process, for example the buyer and the seller. As a matter of fact, negotiation is a process of communication between two parties, each of which has a purpose and its own point of view, namely trying to reach an agreement that is satisfactory to both parties on the same issue. This negotiation process runs because there is an interaction between two or more parties who need to be involved in the discovery to achieve an end result, even though initially the two parties have different goals, on the side where both parties try to use argument and persuasion, to end their differences by finding that way out which they can mutually accept through negotiation.

The success of negotiations between parties or countries depends on the personality of the negotiator which will provide real benefits in developing the value of negotiation knowledge, and provide practical benefits for those who wish to develop themselves into successful negotiators. In this case, it is hoped that the negotiators must get the provisions to prepare themselves by showing their professionalism. The professionalism of the negotiator includes the negotiator's personal characteristics, the negotiator's attitude, and the negotiator's beliefs to determine the success of the negotiation.

According to Roger Dawson in his book Secrets of Power Negotiation, or the Secret to Success of a Negotiator, explains that the aspects of personality that must be of concern are the personal characteristics that a negotiator must have (JusufHamdan, 2007). Furthermore, according to Fred C. Iklé, negotiation is an attempt to explore or reconcile the position of conflict between conflicting actors in order to find a solution that is acceptable to all parties. This means that negotiation is a way to resolve a dispute peacefully through integrative negotiation, which is a negotiation strategy that seeks to achieve goals for all parties (Mira Sukmaawati, 2015).

The main basis of negotiations is the achievement of goals for all parties without leaving a winner or loser. Negotiators must create an open information space and provide opportunities for dialogue with the disputing parties, so that they have the same approach to achieving goals during negotiations, and the negotiator's patience is beneficial for a negotiator. Negotiators’ patience is related to their resilience, constantly providing information to other parties to foster understanding of what is being said, and being patient in listening to what the parties have to say, so good negotiators will be patient and not let time pressure lead them to make agreements that are not in the best interest for all parties.

One way to resolve conflicts is through negotiations between the disputing parties, according to Lopez-Fresno in Llamazares (2011) which defines negotiation as a process carried out by two or more parties as a form of communication to achieve common interests, prioritizing interests by reducing differences (FirdaRosyana RA et al., 2019). There are two kinds of approaches that can be used in negotiations, namely the distributive approach and the integrative approach.

Distributive negotiation uses a zero-sum game, where one party must give up their interests, thus creating a climate of confrontation. Integrative negotiation is concerned with getting things done by creating solutions that are best in the interests of the parties involved. Apart from being vocal in fighting for their interests, each party also considers the interests of the other party. In reaching a solution, the parties must understand the situation and identify their respective interests.

For this reason, integrative negotiations require trust, cooperation, and a smooth flow of information between the parties. Integrative negotiation emphasizes the understanding of each party who is a contributor to the negotiation, not as a competitor to the other party. In integrative negotiation, both parties must prioritize non-zero-sum games that are practiced in integrative negotiations that can be achieved by the existence of norms that bind the parties.

The existence of these norms is based on mutual understanding of each other's interests that can be resolved collectively without harming one-sidedly. The case for Timor Leste-Australia emphasizes integrative negotiation to find solutions in achieving the conflicts faced by the two countries. The conflict between the two countries was due to Australia's negligence when Timor Leste invited Australia to talk about the maritime borders of the two countries according to international law, since before Timor Leste declared independence in 2002, when Timor Leste was under the auspices of the UN-UNTAET since post-1999 (Linda D. Eriyanti, 2017).

In connection with Australia's negligence toward Timor Leste's request while it was still engaged in oil and gas exploration activities in the Timor Gap area on the maritime border of the two countries, the reason Australia avoided this was because the maritime border area of the two countries had already been signed by Indonesia-Australia when Timor Leste still fell under the Indonesian regime in 1989.

With the issue of maritime borders and the case of wiretapping of its Timor Leste office in Canberra, Timor Leste's main focus is to bring Australia to the negotiating table, through various political strategies implemented by Timor Leste, to encourage Timor Leste to write a letter of request to the United Nations and international legal entities. By hoping for the involvement of the parties when there is definitely a settlement such as the above, Timor Leste emphasizes the cancellation of CMATS with Australia regarding negligence toward maritime border negotiations and the case of Australia's wiretapping of Timor Leste.

In the process of canceling the CMATS agreement, in 2016 Timor Leste brought Australia to an international court as written above, involving small communities, the government, national and international NGOs demonstrating on a
massive scale in the city of Dili which is located in front of the Australian Ambassador’s Office, to demand Australia to open up to the resolution of the oil and gas exploration conflict with Timor Leste in the Timor Gap (Media Release, 2016).

On April 13, former Prime Minister Mr. Xanana Gusmão, head of the Timor Leste negotiation team, immediately brought the Timor Leste-Australia oil and gas exploration conflict to the UN, to meet with the Secretary General Mr. Antonio Gutteres at the UN in New York. Timor Leste was given the opportunity to deliver a press statement by Mr. Kay Rala Xanana Gusmão. In this press statement, Timor Leste hopes for the support of the international community in solving the problems Timor Leste was facing with Australia. After the presence of Timor Leste in New York, there was finally a positive response from the United Nations for the formation of a UN conciliation involving both Timor Leste and Australia, which made it easier to resolve the conflict between the two countries. In connection with all the efforts made by Timor Leste, finally this conflict with Australia through Diplomacy and Negotiation and the involvement of the parties reached a settlement (Press Release, 2019).

2.3. Overview of the Origin of the Oil and Gas Exploration Conflict

Since 20 May 2002 Timor Leste as a sovereign state has been recognized internationally, however, this new country cannot be separated from the conflicts that surround it. The conflict is related to natural resources in the form of oil and gas in the Timor Sea on the border of Timor Leste-Australia, which has the largest wealth in the largest oil and gas region in the world, which the two countries claimed since after 1999 Timor Leste was separated from Indonesian colonization, in the year that Timor Leste was in the UN transition (Linda DwiEryanti, 2017). The claim over the oil and gas area arose because Australia always avoids resolving maritime border disputes between the two countries through international law when asked by Timor Leste, where Australia argues that the maritime borders of the two countries had been resolved in 1989 the Timor Gap Treaty with Indonesia occurred, in the year Timor Leste fell under the Indonesian government regime (MochtarKusumaatmadja, 1990).

Previously, this oil and gas area fell under the leadership of Former Prime Minister Mari Alkatiri, who signed the Timor Sea Treaty with Australia. This agreement has been valid since April 2, 2003, especially for oil and gas exploration activities in the Timor Gap area. The agreement led the two countries to the development of a Joint Petroleum Development Area, which was managed by Australia according to its agreement, and then the results of oil and gas exploration activities were required to be divided equally between the two countries to provide opportunities for foreign investors to carry out their duties in the Timor Gap area.

Then the two countries continued by forming The Timor Sea Designated Authority (TSDA) in accordance with the contents of the agreement held, the oil and gas conflict in the Timor Sea, so that the two countries entered into the Certain Maritime Agreement in The Timor Sea Treaty (CMATS Treaty), on January 12, 2006 at Sydney; this agreement provides a way for the two countries to make sharing of the downstream products from the Greater Sunrise fields, in the maritime area of Timor, with the largest number of oil reservoirs estimated to contain 300 million barrels of oil and gas and eight trillion feet per cubic of natural gas (NyiaynKnrniaAfrianti, 2006).

After several agreements were signed to bring the two countries to running oil and gas exploration activities in the Timor region, the conflict between the two countries reappeared because Australia had always refused Timor Leste’s request over and over again to resolve the maritime border problems of the two countries, as mentioned above with the wiretapping that was carried out by Australia at the Timor Leste office in Canberra. It was this wiretapping case that brought the two countries into an unstable international political environment, and invited the international community to attack demanding Australia to respect the rights and demands of the people of Timor Leste. In accordance with the various efforts made by Timor Leste which brought Australia to the UN, PCA, ICJ and included the voices of the international community, (Report, 2014). The subsequent efforts made by Timor Leste created hope for the settlement of maritime border disputes between the two countries to focus on developing the welfare of the people of Timor Leste in all fields driven by oil and gas in the Timor Gap region.

3. Political and Economic System of Timor Leste-Australia

3.1. Timor Leste

Basically, politics is closely related to power, and politics is a means to impose the will of one party on another in certain ways. A person whose political orientation is to gain power, logically after ruling with the power he has, will instill influence in others (Abdulkadir B. Nambo, Muhamad R. Puluhuluwa, 2005).

Furthermore, as for the political system in the country of Timor Leste, members of the parliament of the Republic Democratic de Timor Leste (RDTL), for example, are nominated by parties that obtain legality from the RDTL court which has a position in parliament. After they serve as members of the legislature, they include the interests of their party, personal and constituents in every policy formulated by RDTL parliamentarians. The Democratic Republic of Timor-Leste is a democratic constitutional state that has 4 (four) sovereign state institutions, according to the provisions of Article 67 of the RDTL Constitution of 2002 which state that the institutions of State sovereignty consist of the President of the Republic, the National Parliament, the Government, and the Court.

The idea of forming a state institution is based on the TriasPolitica theory, but does not absolutely implement Baron de Montesquieu’s idea, because in the Constitution of the Democratic Republic of Timor-Leste, there are 4 high state institutions, namely the President of the Republic, the National Parliament, the Government, and the Court (The RDTL Constitution, 2002). Regarding Legislative Power, according to the provisions of Article 92 of the RDTL Constitution, the National Parliament is the sovereign body of the Democratic Republic of Timor Leste which represents all citizens of Timor-Leste and is given legislative, overseeing and political decision-making powers.
Executive Power, according to the provisions of Article 103 of the RDTL Constitution of 2002 stating that the Government is the body of sovereignty responsible for the direction and implementation of the general policies of the country and is the highest general government body. Judicial power or Judicial power, in the provisions of Article 118 paragraph (1) to paragraph (3) of the RDTL 2002 Constitution stipulates that the Court is a sovereign body with the authority to enforce justice, on behalf of the people.

Economically, the government of Timor Leste prioritizes development in the economic sector, in which the state seeks to position the oil and gas sector (oil and gas) as the main sector. This is because revenues from the oil and gas sector constitute the largest part of Timor-Leste's economy (Report, 2005), referring to 2012 data which explains that three quarters of Timor Leste's GDP is obtained from oil and gas exports. In 2012, Timor Leste recorded a total GDP of 5,579 million USD, which is 77.2 percent coming from the oil and gas sector and the remaining 22.8 percent comes from the non-oil and gas sector.

3.2. Australia

Politically, Australia establishes a government system based on a liberal democratic tradition, including religious tolerance, and freedom of expression and association. Implementation reflects the British and American models of government but remains uniquely Australian, the Commonwealth of Australia was founded on 1 January 1901, also known as Federation Day, when Australia agreed to organize six former British colonies, now turned into six states. The Australian Constitution, which first entered into force on 1 January 1901, lays down the foundations for the Australian system of government. Australia is a country in the south of the world that has a well-established economic and socio-political strength as well (Muhammad A. Ramadhani, 2020).

At the time of becoming a new country, Australia was unlike other new countries which still needed a lot of time to adjust, but the stability and ability of the Australian economy attracted many citizens around the world to start new lives for their better future, and one of these promising prospects has given boat people sufficient reason to come to Australia. Some of these immigrants come using the services of agents in their countries, which promise a safe pathway for them to live in Australia and some are indeed asylum seekers because there are certain problems in their home country, such as domestic problems in Afghanistan which were once the cause of a surge in immigrants by boat to Australia (Media Release, 2017).

The Executive Board enforces the laws passed by the legislature, while the judiciary ensures the functioning of the courts, as well as the appointment and dismissal of judges. The judiciary's function is to interpret all laws (including the Australian Constitution) and uphold the rule of law. In Australia, the economy is very dynamic, where there is always a close relationship with the industry that is developing and running. Industry-related investment, through investments that most industries in the country can run, both investments are made by the government and the private sector. These investments can take the form of industrial investment serving the community, manufacturing, and construction. Investment and industry are of paramount importance in the era of globalization.

The economy is also used to increase the interaction between countries which indirectly demands efficiency and effectiveness, in meeting the daily needs of the people in the country whenever the country needs it. Fulfilling this need is carried out in various ways, starting with increasing the amount of low-cost production, technological innovation, and increasing cooperation with other countries in various fields to meet what the state needs. Then we can see how the Australian economy is supported through investment from various industries, such as the service industry, construction, manufacturing and mining which has a total investment of $ 123.6 billion in the years 2015-2016, investment in mining amounted to $ 52.4 billion in 2015-2016 (Hardi A. SD et al, 2018).

4. Analysis and Discussion

4.1. Relevance of the Diplomacy and Negotiation Theory to the Analysis of the Conflict Settlement for Oil and Gas Exploration in the Timor Gap

The oil and gas exploration conflicts in the Timor Gap between Timor Leste-Australia are related to maritime border claims between the two countries, where Australia intended to avoid conflict resolution concerning oil and gas through UNCLOS and renegotiated the CMATS agreement to achieve Australia's interests. This Australian political strategy strengthens Timor Leste's position to rise up to bring Australia to the International Court of Justice and the United Nations to become Timor Leste's main target so that it is as quick as resolving the dispute between the two countries through international law, which is the final resort for Timor Leste-Australia to end the oil and gas exploration conflict in the Timor Gap region.

4.2. Settlement of the Oil and Gas Conflict in Timor Gap

The politics of oil and gas exploration between the two countries in the Timor Gap region took place several years after the independence of Timor Leste until the time of the act of wiretapping perpetrated by the Australian side against the Timor Leste government in 2004, then due to demands national interest encouraged the Timor Leste side to demand that Australia immediately settle it, including the Certain Maritime Agreement Timor Sea (CMATS) related to the act of espionage carried out by Australia at the Timor Leste office in Canberra (Report, 2014).

At that time, former agents and operators of the Australian Secret Intelligence Service (ASIS) were assisted workers led by AusAid, which carried out wiretapping missions against Timor Leste (Bulletin La’oHamutuk, 2008). The former ASIS agent was tasked with installing wiretapping equipment in a workspace under renovation, where Australia aimed to obtain information on internal discussions held by the Timor Leste government regarding previous agreements,
including CMATS. With this wiretapping case, the Timor Leste government took action to cancel the CMATS agreement to the Permanent Court of Arbitration in The Hague, by asking PCA to intervene in Australia’s misbehavior. This subsequently led to the cancellation of the CMATS Agreement on April 23, 2013 based on the provisions of Article 23 paragraph b Annex B Timor Sea Treaty 2002 (Tiara IkaWinarni, 2015).

The prosecution initiated by the state of Timor Leste was supported by various kinds of evidence related to espionage actions which Australia has carried out which would be submitted in March 2014, since the Australian Security Intelligence Organization (ASIO) dismantled the East Timorese lawyers’ office in Canberra, confiscated documents related to data relevant to the agreement mentioned above. In addition to Collaery’s Lawyers, former ASIS agents at that time were also targeted in the ASIO attack according to what has been stated in this paper. In fact, on 17 December 2013, Timor Leste brought the case to the International Court of Justice (ICJ), demanding Australia’s actions to protect its rights by preventing the use of data and documents taken by Australia for the benefit of Australia in the pending arbitration hearing in connection with the Timor Sea (Media Release, 2015).

On March 3, 2014, the International Court of Justice (ICJ) granted Timor Leste’s request that Australia must ensure that the documents and data that the Australian party had taken were not used in arbitration cases that would harm Timor Leste until the final settlement process (Report, 2015). With the strong demands of the Timor Leste government, on 25 March 2015, the Australian side returned data and documents seized at the Collaery Lawyers office of Bernard Collaery, as a lawyer that at time to represent Timor Leste on 3 December 2013 (Tempo International News, 2014).

In its part, the Court has the authority to remind Australia to return documents and data, including a copy belonging to Timor Leste on 22 April 2015. With the wiretapping case, Timor Leste revoked the previous agreement as part of negotiations in the hope that the two countries would immediately resolve permanent maritime border disputes in the Timor Sea in conciliation talks in Singapore, at the Timor Leste-Australia meeting to end espionage and maritime border cases between the two countries through diplomacy and negotiations with international law, as mentioned above.

5. The States of Timor Leste-Australia from a Political and Economic Perspective

5.1. Timor Leste

After the post-conflict, the Government of Timor Leste prioritized development in the economic sector, where the state placed the oil and gas sector (oil and gas) as the main sector for national development, with revenue from the oil and gas sector which was the largest share of the Timor-Leste economy (Report, 2005). Referring to 2012 data which explains three quarters of Timor Leste’s GDP from oil and gas exports. Data for 2012 recorded that the total GDP of Timor Leste was USD 5,579 million, of which 77.2 percent came from the oil and gas sector, and the remaining 22.8 percent came from the non-oil and gas sector. Most of the revenue from the oil and gas sector comes from the Bayu Undan oil and gas fields. The Bayu-Undan field contains approximately 400 million barrels of oil reserves and 3.4 Trillion Cubic Feet (TCF) of natural gas, the management of the Bayu Undan oil and gas field which began in 2004 will end in 2023.

Furthermore, the Greater Sunrise Block is the largest oil and gas field located in the southern waters, which was discovered in 1974. The block is estimated to have a condensate content of 300 million barrels and 8.3 TCF of natural gas, the magnitude of this potential has attracted the attention of the Government of Timor Leste. The Greater Sunrise Block is located between the maritime borders of Timor Leste and Indonesia, which makes development of the block difficult.

The Timor Leste government saw the need for an agreement with the Government of Indonesia prior to the development of the Greater Sunrise Block. Of course, the Timor Leste economy depends on two sectors, namely oil and gas and non-oil and gas including foreign aid to help Timor Leste in its economic aspects. Timor Leste’s oil and gas sector revenue in a period of five years, namely from 2005-2010 continued to increase, so that the Timor Leste oil and gas sector was able to increase by 16 percent which increased the revenue of 2,875 USD. The increase in Timor Leste’s economic income from the oil and gas sector comes from the management of the upstream and downstream sectors of several oil and gas fields in the Joint Petroleum Development Area (Dewa B. A. Putra et al., 2017). The management of the upstream sector comes from the processing of oil on the seabed, while the management of the downstream sector comes from the processing of natural gas.

Timor Leste’s upstream sector revenue comes from several oil fields in the JPDA region, such as Elang-Kakatua, Buffalo and Bayun-Undan, while the downstream sector management comes from the Bayu-Undan Farm. The percentage of profits that Timor Leste receives from managing the upstream and downstream sectors from the oil and gas fields in the JPDA is 50 percent of the total production profits. In addition, according to Budiardjo, politics always concerns the goals of the whole society (public goals) and not personal goals (WawayEkoYudiatmaja, 2018).

Thus, it can be understood that the politics run by a country must be carried out with the aim of making the people prosperous, not only benefiting one party. This is discernible in the Timor Leste government system which is a semi-presidential system that is recorded in the Timor Leste constitution in article 103 which states that the Government is a sovereign body that is responsible for directing the implementation of the general policies of the state and the highest General Government agency (RDTL Constitution, 2002). The Democratic Republic of Timor Leste is a small country to the north of Australia and the eastern part of the island of Timor.

Timor Leste covers the islands of Kambing or Atauro, Jaco, and Enclave Oecusse-Ambeno in West Timor after leaving Indonesian colonies, Timor Leste officially became independent on 20 May 2002 the name in Portuguese became Timor Leste as the official name of República Democrática de Timor Leste (The Report of United Nations, 2006). In that year Timor Leste was registered as a member of the United Nations, the head of state of Timor Leste is a president, who is directly elected with a term of service of 5 years, although his function is only ceremonial, but he does have a statutory
veto. The Prime Minister is elected from multi-party elections and appointed/appointed from the majority party in the party coalition. The head of government or Prime Minister heads the Council of Ministers or a cabinet in the government cabinet.

Timor Leste’s parliament consists of only one room and is called the national parliament. Its members are elected for five-year terms. The number of seats in parliament is between 52 and 65 but currently numbering 65, the Constitution of Timor Leste is based on the Portuguese constitution. In the Constitution, Timor-Leste adheres to a system of semi-disciplinary government with a system of separation of powers, so that there are four high state institutions each from the President of the Republic, the National Parliament, the Government, and the Judiciary. The government as the executive body has the power to enforce laws, the Prime Minister as head of government heads the council of ministers or the cabinet (RDTL Constitution, 2002). The economy of the country of Timor Leste, the oil and gas sector, which mostly comes from oil and gas fields (Report, 2005). The oil and gas sector originated from the Bayu-Undan Field which contains around 400 million barrels of oil reserves and 3.4 Trillion Cubic Feet (TCF) of natural gas, the management of the Bayu Undan oil and gas field which began in 2004 will end in 2023.

In addition, there is the Block. Greater Sunrise is the largest oil and gas field located in the southern waters which was discovered in 1974. This block is estimated to have a condensate content of 300 million barrels and 8.3 TCF of natural gas. The magnitude of this potential has attracted the attention of the Government of Timor Leste, though the location of the Greater Sunrise Block between the maritime borders of Timor Leste and Indonesia makes the development of the Block difficult. The Government of Timor Leste saw the need for an agreement with the Government of Indonesia before undertaking the development of the Greater Sunrise Block. The Timor Leste government then took advantage of the territorial and boundary problems between Timor Leste and Indonesia to benefit more from the Greater Sunrise Block (Detik International News, 2017).

This has also been done by the Government of Timor Leste by using its claim on Batek Island to force Indonesia to shift the lateral line of the Timor Leste-Indonesia maritime boundary in the southern territorial waters. At the time of Ramos Horta, representatives of Timor Leste at the Regional Ministerial Meeting on Counter-Terrorism in Bali in 2004, conveyed a claim to Batek Island in the negotiations on the determination of Timor Leste-Indonesia maritime boundaries in Southern waters and was then interested in seeing Timor Leste’s reasons for raising the issue of Island ownership. Batek is involved in the negotiations to determine the maritime boundaries of Timor Leste-Indonesia in Southern waters, with the main interest being to acquire the Greater Sunrise Block which could find a way for dialogue (John Pike, 2017).

Timor Leste’s economy depends on two sectors, namely oil and gas and non-oil and gas, which are mentioned above, including foreign aid, with the main objective of how to help Timor Leste in its economic aspect, the Timor Leste government sees considerable opportunities from the oil and gas sector. Timor Leste’s oil and gas sector revenue continued to increase for a period of five years, from 2005-2010. During that period, Timor Leste’s oil and gas sector increased by 16 percent by providing an income of 2,875 USD, while Timor Leste’s economic income came from the processing of natural gas. Timor Leste’s upstream sector revenue comes from several oil fields in the Joint Petroleum Development Area (JPDA), such as Elang-Kakatua, Buffalo and Bayun-Undan, while the downstream sector management comes from the Bayu Undan Farm (Bulletin La'oHamutuk, 2003). The percentage of profits that Timor Leste receives from the management of the upstream and downstream sectors from the oil and gas fields in the JPDA area is 50 percent of the total production profits, the remaining 50 percent is taken by companies cooperating with Timor Leste.

5.2. Australia

The Australian government system is a very complex system when examined more closely, where its important institutions are a combination of traditional elements and models of British and US government, such as the British administration system with the Lower House of Representatives, the practice of government of the United States with the federal senate. The Australian Constitution contains important features of the Australian system of government (Daugherty Rasnic Regent, 2015).

The division of power between the States and the Commonwealth, the Governor General represents the Queen of England, there are three branches of Government in Australia, namely the Legislative Branch (Parliamentary Senate and House of Lower Representatives); the Executive Branch (Ministries and Government Officials); and the Judiciary Branch (legal justice system). The legislative body contains a parliament, that is to say, the body has the legislative power to make laws. The Executive Board administers the laws created by the legislative body, while the judiciary ensures the functioning of the courts, and the appointment and dismissal of judges. The judiciary’s function is to interpret all laws, including the Australian Constitution, and uphold the rule of law.

The Constitution can only be changed through opinion polls, and Australia is known as a Constitutional Monarchy. Australia is a country that has a king or queen as the head of state whose authority is limited by the Constitution (AgusBudiman, 2015). The head of state of Australia is Queen Elizabeth II. She is the Queen of England, but this position is slightly separate, both in law and governmental or constitutional practice. In reality, the Queen does not have any role in the Australian political system and only functions as a symbol or as a public figure to mobilize society.

In Australia the Queen is formally represented by a Governor-General who is appointed by the Queen on the recommendation of the Australian Prime Minister. The Queen does not have any role in the daily duties of the Governor General. The Governor-General is the representative of the Queen of England in Australia. His or her position does not
have to follow the directions, supervision or veto power of the Queen and the British Government, while in the Constitution there are the powers and duties of the Governor General including summoning, stopping the legislature's hearing and dissolving parliament. In addition, the governor can also approve draft regulations, appoint ministers, assign government departments and appoint judges. However, by convention, the Governor-General only acts at the request of the Ministers on almost all matters. The figures appointed to the position of Governor-general are selected based on Government considerations, all state Governors carry out the same role in their respective territories as follows.

- Local Government. There are about 900 local government bodies in Australia. Local government powers differ for each country part and is the responsibility of the respective state governments. Several local government agencies are responsible for running transport / energy and energy companies, states set large tax rates and receive revenues from higher levels of government. Local government is specifically assigned to handle regional planning or layout, supervision of building permits, local road facilities, clean water supply, sewerage, garbage and cleaning services and facilities, as well as community entertainment facilities.

- The Commonwealth Government or Federation or Central Government Parliament at the central level is bicameral in nature, consisting of two chambers, namely the House of Representatives and the Senate or Upper House.

As regards the Australian state, its political economy is very dynamic and always closely related to a growing industry in his country. Investment cannot be separated from industry, through investment, most industries in a country can run, whether investment is made by the government or the private sector. This investment can be in the form of investment in industry to serve the community, manufacturing, construction, and others. As for the importance of investment and industry in the era of globalization, the economy is also used to increase interaction between countries which indirectly demands efficiency and effectiveness in the fulfillment of people's daily needs. To meet the increasing and diverse needs of society in a country where and whenever the country needs it. Fulfilling this need is carried out in various ways, starting with increasing the amount of low-cost production, technological innovation, and increasing cooperation with other countries in various fields to meet what the state needs.

Moreover, we can see how the Australian economy is supported through investments in various industries, such as the service industry, construction, manufacturing and mining which has a total investment of $123.6 billion in 2015-2016. Investment in mining amounted to $52.4 billion in 2015-2016 (Hardi A. SD et al., 2018). Furthermore, in 2016, the Australian manufacturing industry underwent some very positive changes, especially after Ford's last production in October in Australia. This change also occurred due to the existence of a new infrastructure development program, namely the Future Submarine Program, that is to say the construction of a new Australian submarine fleet in Adelaide and the advancement of existing industrial technology in Australia which are examples of western technological advances. Technological progress will move more rapidly from one country to another that has more or less the same cultural and social life.

In the case of Australia, technological advances are a legacy of the British Industrial Revolution whose advances in technology ultimately help progress in the economic field such as the use of robots in industry. In strengthening Australia's national economy, the Trans Pacific Partnership (TPP) was formed starting at the Asian Pacific Economy Cooperation (APEC) meeting in 2005 (Alfi W. Ilham, 2020). At that time, all member countries agreed to forming broader economic cooperation, and as a result the Asia Pacific strategic economic partnership Agenda, better known as P4 or Pacific four, was born. The Pacific Four connects Brunei Darussalam, Chile, New Zealand and Singapore.

The P4 Agreement entered into force in 2006, with many difficulties and challenges due to negotiation barriers. During the two years of work P4 has not produced any significant results, but finally, in 2008 the United States started join P4 and discuss strategic opportunities such as investment and trading. Susan Schwab as the United States (US) Trade Representative said, 'Participation could provide a pathway to broader Asia-Pacific regional economic integration with like-minded countries committed to high standard agreements', and this indicates that the US is thoroughly exploring opportunities in this Asia Pacific partnership, thus increasing the economic power of Australia towards the future of its people.

5.3. Timor Leste-Australia Negotiations through the Permanent Court of Arbitration

In the form of conciliation between East Timor-Australia, where the conciliation process related to maritime boundaries is carried out under Article 298 and Annex V of the United Nations Convention on the Law of the Sea (UNCLOS), which in a five-member conciliation commission drawn from the Australia-Timor Leste side has been empowered to make strong recommendations in facing the settlement process scheduled by the two parties with the UN commission, but it is not legally binding on the governments of the two countries (Irhas N. Yasma’un et al., 2018). The trial proceeded in secret for the two countries in accordance with the rules established by the United Nations Conciliation Commission, this conciliation with its function to assist Timor Leste-Australia in resolving the conflict mentioned above, the conciliation commission which started in late 2016 and until September 2017.

6. Chronology of Conflict Resolution through Diplomacy and Negotiation East Timor-Australia

Chronologically, on 16-20 January, during that year the two parties, namely Australia and Timor Leste held a meeting in Singapore where the agenda of both parties was to file a law against UN conciliation commission on the maritime boundary position of the two countries the meeting began with a joint press statement which informed both parties and the conciliation commission about termination of CMATS, for at that time they had a commitment to negotiate maritime boundaries. These would be terminated through re-observation regarding what had already made a further list in which the conciliation commission had begun to explore the position of the two parties where exactly the maritime boundaries in the Timor Sea must be established (Windatrisen, 2020). Then on March 26-31 2017, during the meeting of...
the two parties in Washington DC, the Conciliation Commission agenda gave to the parties a paper that set no resolution, designed to provoke and challenge both parties. The meeting of the two parties was continued on 22-6-9 June 2017, where the consular commission sought to gain a deeper understanding of what factors had influenced the position of each party on maritime boundary issues by being held at the Copenhagen meeting.

The UN Conciliation Commission examines the assumptions put forward and held by East Timor-Australia (MelkiadesLaot, 2019). On 24-28 July 2017, at a meeting in Singapore, the conciliation commission made a list of views that allowed both parties. However, there were still thorny issues including oil and gas resources and the Timor Sea boundary. On 29-1 August 2017, the chairman and Judge Abdul Koroma together with members of the Registration Council of the Permanent Arbitration Court, visited Dili and met with Chief Negotiator Mr. Kay RalaXananaGusmão and leaders, namely President Francisco Guterres Lu-Olo and former Prime Minister Dr Mari Alkatiri, Minister of Timor-Leste Agencies Agio Pereira, Prime Minister Dr. Rui Araujo, Minister of Oil and Mineral Resources, Alfredo Pires and former President Dr. Jose Ramos-Horta (Report, 2018).

On 30 August 2017, with the content of a proposal made by the Commission, Timor Leste-Australia had reached an agreement on the Comprehensive Package Agreement on the main elements of the delimitation of maritime boundaries between Timor Leste-Australia in the Timor Sea. From 9-13 October 2017, a meeting was held in The Hague (Report, 2019). After negotiating the agreement between the two parties for several weeks via teleconference, the two parties met in person to finalize the agreement document which had been scheduled by the UN Conciliation Commission with Timor Leste-Australia and the Greater Sunrise Joint Venture, to continue the negotiations in Brisbane in early November. Then a meeting was held in Singapore on 18 November, followed by another in Sydney from 29 January to 2 February 2018. The Conciliation Commission held various meetings on 19 February 2018 in Kuala Lumpur, Malaysia with Timor Leste-Australia and the Greater Sunrise Joint Venture, and derived from the meeting the part of the conciliation commission conveyed its conclusions to Timor Leste-Australia to take decisions on joint resource development (Report, 2018).

6.1. Timor-Leste-Australia Establishing Maritime Boundaries in the Timor Sea

In the diplomacy and negotiation process of the two countries with a lengthy period of time for talks on the maritime border agreement between Timor Leste and Australia, the two countries finally agreed and signed it on March 6, 2018, at the United Nations Headquarters in New York, where the signing of the agreement was directly accompanied by the Secretary-General of the United Nations. In the process of signing the Maritime Boundary Agreement, the Secretary General of the United Nations, Mr. Antonio Guterres, who was witnessed together with the Chair of the Conciliation Commission, Peter Taksøe-Jensen, and a member of the Conciliation Commission Dr. Rosalie Balkin, Judge Abdul G. Koroma, Professor Donald McRae, and Judge Rüdiger Wolfrum, Permanent Court of Arbitration, were later inaugurated with the signing of the Minister of Border Affairs for Timor Leste, Agio Pereira, and the Australian Minister for Foreign Affairs, Ms. Julie Bishop (Donald R. Rotherwll, 2018). Timor Leste and Australia agreed on a maritime boundary located in the middle with the distance between the two countries in the period (median line), a comprehensive and final maritime boundary agreement covering the border between the two continental shelves requires the right to exploit seabed resources, such as petroleum, and the Exclusive Economic Zone which requires the right to exploit water resources, such as fisheries (Report, 2016).

The contents of the Agreement discuss the legal status of the Greater Sunrise gas field, which is in the Formation of a Special Regime for Greater Sunrise, and the pathway to resource development in the oil and gas area in the Timor Gap.

6.2. Map of Maritime Border between Timor Leste-Australia

![Figure 1: Map of Maritime Border between Timor Leste-Australia](image)

The map above shows the maritime boundary area defined in the Treaty Between the Democratic Republic of Timor Leste-Australia Establishing Their Maritime Boundaries in The Timor Sea, (Media Release, 2017). The southern boundary is the boundary of the seabed and the water column (From the arrow A-5 to A-10). The western segment of the southern boundary of the arrows A-5 through A-6 runs slightly above the median line, while the eastern segment of the southern boundary of the arrow A-6 leading to the A-10 is aiming at the median line. The path that aims at arrows A-1 and
A-2, and aims at arrows A-11, A-12, and A-13 is the location of the continental shelf which is still temporary, according to Article 3 of the agreement, being temporary points to be adjusted after Timor Leste improves maritime boundaries with Indonesia for the future, depending on the will of Timor Leste-Indonesia at any time it is ready to start the negotiation process (Report, 2015).

Furthermore, the determination of the EEZ is determined in Article 4, namely from the arrows A-5 to A-10 with the possibility for both countries to straighten out the boundaries of the Exclusive Economic Zone. Timor Leste's political strategy in resolving oil and gas exploration conflicts in the Timor Gap related to maritime boundary disputes which resulted in maritime boundaries being determined according to UNCLOS international maritime law, and being in the middle line between Timor Leste and Australia.

6.3. Specific Agreement for Greater Sunrise in the Future Timor Leste-Australia

In the negotiations the two countries have resolved the above maritime boundary issues, and in this part the two countries proceed with a specific agreement for the Greater Sunrise resource which in annexation B in the contents of this agreement can detail the Special Regime, between Timor Leste-Australia which has the right as a coastal state in accordance with Article 77 UNCLOS and the two countries have the right of all petroleum produced in the Greater Sunrise field (News Letter, 2019). It was during this time that the two countries made a share of the revenues from the production of the Greater Sunrise field mentioned above. The revenue from upstream is divided into two political strategic types that are very strong for both parties, namely, where the Greater Sunrise is developed via a pipeline to Timor Leste. The first political strategy is that Timor Leste will obtain the result, namely that 70% of the upstream income will go to Timor Leste and 30% of the income will go to Australia. Furthermore, the second political strategy in developing the results is through a pipeline to Australia, so that 80% of the income will go to Timor Leste, and 20% will go to Australia (Report, 2019).

In the Timor Leste-Australia agreement that year, the two countries entered into this agreement as the strongest evidence to guide the two countries to end the oil and gas exploration conflict in the Timor Gap area, the agreement is recorded on this map called The Border Maritime Treaty between Timor Leste-Australia.

The specification of this agreement creates a two-tier regulatory structure to regulate and administer the Special Regime on Greater Sunrise, which consists of an appointed authority and a Governing Council namely Kay Rala Xanana Gusmão. Article 6 of this agreement states that the designated Authority has the responsibility to carry out whatever is stipulated in the regulations and needs in petroleum activities in areas that can be included in the regulations and requirements in petroleum activities in areas that can be included in the Special Regime. The given authority plays a role in representing the Timor Leste-Australia side by making a report for the Governing Council (Report, 2019).

As regards the Governing council as a strategic oversight body which consists of three representatives (namely two representative members from Timor Leste and one representative member from Australia) whose task is overseeing, auditing, ratifying regulations on oil and gas exploration activities and interfering with the appointed Authority in the development of the results of the oil and gas production process (Report, 2015). The Dispute Resolution Bodies and Committees have no regulatory role, but they do have the power to make decisions on disputes related to strategic issues that cannot be resolved at the Governing Council level, namely Mr. Kay RalaXananaGusmão.

6.4. Ratification of the Permanent Maritime Boundary Agreement between Timor Leste-Australia

Ahead of a long diplomatic and negotiation process, reaching the ratification of the permanent maritime border between Timor Leste-Australia finally fell on 30 August 2019, during which the Australian Prime Minister Mr. Scott Morrison visited Dili, Timor Leste. The arrival of the Australian Prime Minister was aimed at immediately exchanging notes to complete the process of ratifying the Maritime Boundary Treaty between the two countries (Lao Hamutuk Report, 2020).

In this agreement, Timor Leste-Australia agreed to ratify maritime boundaries so that the Agreement was valid for both Timor Leste and Australia. On the next trip, there were several citations carried out by oil and natural gas consultants, namely Poten and Partners. Damon Evans said that the socio-economic benefits obtained by developing
Liquefied Natural Gas (LNG) management in Timor Leste amounted to 154.48 million dollars over a period of five years (David Dixon, 2017). However, building a pipeline of 286 kilometers from Greater Sunrise to Timor Leste is far from easy, because the pipeline has to pass through the Timor Trench which is about 2,800 meters deep. The construction of an LNG plant is a fairly complicated process requiring very high costs, and carrying a risk with great uncertainty in its realization.

Based on the experience of developing LNG refineries in the world, it takes a long time, namely around 15-20 years from the start of the discovery of natural gas until the first LNG shipment is carried out. Oil and natural gas consultant Jeffrey Feynman said it took 24 billion dollars to build an LNG plant in Timor Leste. To plan the construction of an LNG refinery, Timor Leste needs to prepare a strategy, technical and financial understanding, and detailed steps to support success in negotiation processes regarding the construction of an LNG plant that will be carried out (Hanan Nugroho, 2011).

However, the description of the maritime boundary with Australia is an achievement for Timor Leste where the settlement process was accompanied by Timor Leste's encouragement such as the cancellation of the CMATS agreement which involved the International Court of Justice in dealing with issues related to maritime boundaries. In the end, it will provide a very significant advantage for Timor Leste to achieve the completion of its various political strategies. Timor Leste has been very active from the aforementioned years onward, so that Timor Leste-Australia agreed on a permanent maritime boundary.

7. Conclusion

In the Australia-Timor Leste cooperation through diplomacy and negotiations to end the exploration conflict in the Timor Gap, which previously positioned Timor Leste into a political environment that was not harmonious since the country became a sovereign state in 2002. In that year, Timor Leste-Australia entered into several agreements such as the Timor Sea Treaty, in 2003 the International Unitization Agreement (IUA), followed by the Certain Maritime Arrangements in the Timor Sea 2006 (CMATS). In several of these agreements, previously Timor Leste always submitted a proposal to Australia to solve the problem of maritime boundaries in the political activities of oil and gas exploration between the two countries.

However, Australia still avoided Timor Leste’s request, first arising from Australia’s negligence to negotiate maritime borders between the two countries, and secondly because Australia carried out various strategies to retrieve documents related to oil and gas agreements through the act of wiretapping, aimed at eliminating the agreements concerning oil and gas between the two countries. Because of these obstacles, Timor Leste brought Australia to the PCA, ICJ, the United Nations in the search for the best solution for the disputed oil and gas area of the two countries, including the movement of the East Timorese people and the advanced international community leading to the unequivocal vote supporting the initiative that Australia must solve the problem of maritime borders with Timor Leste which had started to become heated in 2016. With the various political strategies implemented by Timor Leste which led to diplomacy and negotiations between the two countries in resolving their conflict in the Timor Gap region, in that year the two countries and the international community paid great attention to hoping for a solution.

Drawing a political and economic comparison between Timor Leste -Australia, the former adheres to a semi-presidential system which is legalized by the community through general elections to be held every five years, be it the President or the Prime Minister. The government was formed by voting and the parliamentarians forming the majority, but then the economy of Timor Leste was 85 percent dependent on oil and gas production and 15 percent was derived from non-oil and gas products. As for Australia’s political and economic system, seen from a political point of view Australia is a federal state whose power depends on the central government which is fully controlled by the state and its people. As regards the Australian economic system, the majority of its income from investment and various industries since the country became a sovereign country from the British colonialism. With these political and economic conditions that led Timor Leste to use international legal entities to restore its national interests through the conciliation process from September 2016 to March 6, 2018 in New York, Timor Leste-Australia reached the climax of the final agreement according to UNCLOS accompanied by the Secretary General of the United Nations, Antonio Gutieres.

At the peak of diplomacy and negotiations under the umbrella of the PCA conciliation, the two countries showed mutual respect and discipline to the UN commission which was specially formed to resolve conflicts between the two countries. After all that had been going on, Australia would no longer have the opportunity to challenge the truth of this procedure, whether it wanted it or not, in resolving the Timor Leste-Australia conflict.

Diplomacy and negotiations between the two countries took quite a long time, but finally Timor Leste-Australia reached the settlement of the oil and gas exploration conflict on the maritime borders of the two countries through a definitive signature on March 6, 2018, in New York and continued the ratification of the permanent maritime border between Timor Leste-Australia on March 6, 2018. August 30, 2019 to end the maritime conflict between the two countries.

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