

ABC Radio Australia

Australia embroiled in East Timor spying allegations

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The Australian Government is embroiled in another diplomatic crisis, this time over spying on East Timor.

The domestic security agency, A-S-I-O, has cancelled the passport of a retired intelligence officer who is preparing to give evidence about his involvement in a covert operation to record the conversations of Timorese ministers and officials in Dili in 2004.

The Timorese government claims the bugging operation was ordered by the-then Australian Foreign Minister Alexander Downer, during negotiations over a treaty that governs each country's share in billions of dollars of oil and gas revenues.

Reporter: Peter Lloyd

Speaker: Bernard Colleary, lawyer for East Timor; Unnamed assistant

PETER LLOYD: We don't know his name but the lawyer for East Timor, Bernard Colleary, is certain about the significance of the former ASIS (Australian Secret Intelligence Service) agent.

Mr Colleary says the retired Canberra man wants to blow the whistle on an operation he took part in back in 2004. The details in these allegations have never been made public, until now.

BERNARD COLLEARY: The director general of the Australian Secret Intelligence Service and his deputy instructed a team of ASIS technicians to travel to East Timor in an elaborate plan, using Australian aid programs relating to the renovation and construction of the cabinet offices in Dili, East Timor, to insert listening devices into the wall, of walls to be constructed under an Australian aid program.

So this was a bugging operation on sovereign Timor territory.

PETER LLOYD: At the time, Australia and Timor were negotiating a deal to share revenue from oil and gas deposits under the Timor Sea, called The Greater Sunrise fields. It's worth tens of billions of dollars.

Woodside Petroleum, which wanted to exploit the field, was working hand in glove with the Australian government and senior ministers to score the best possible deal.

It's understood the spy decided to blow the whistle when he learned that in his life after politics, Alexander Downer had become an advisor to Woodside Petroleum through his lobbying firm, Bespoke Approach.

His affidavit is understood to refer to the 2004 bugging operation as "immoral" and "wrong" because it served not the national interest, but the commercial interest of big oil and gas.

In the view of lawyer Bernard Colleary, the operation was probably illegal.

(To Bernard Colleary): What to you is the most damaging thing here? Is it the connection between the minister, Alexander Downer, and the instruction; or is it the act itself?

BERNARD COLLEARY: It's that it was not a proper function of ASIS to be involved in inside trading. If this has happened in Bridge Street, Collins Street, Wall Street, people would go to jail.

PETER LLOYD: Bernard Colleary believes there must now be a judicial inquiry and that evidence must be given by Alexander Downer and David Irvine. In 2004, Mr Irvine was in charge at ASIS. At the moment he runs ASIO, the domestic spy agency.

And it was ASIO raids in Canberra a day ago that forced the hand of the Timorese side to expose the existence of a whistleblower.

Bernard Colleary insists the former spy's affidavit was among sensitive electronic and hard copy records relating to Timor's case against Australia seized by ASIO when up to 15 agents raided his office.

Since Mr Colleary was already in The Hague preparing to launch the case, starting on Thursday, it was one of his young female legal assistants who answered a knock at the door at 10am. She asked that her name not be used in this report.

ASSISTANT: They were filming it, explained to me that they were from ASIO and there were AFP officers there too. Gave me a notice that was obviously some sort of warrant, had bits blacked out on it so they weren't allowed to give me a copy of it. They explained to me they were there for security reasons.

PETER LLOYD: An ASIO document presented to the woman advised that a search warrant gave agents the right to search and seize anything they thought relevant. Along with a personal computer, USB stick and paperwork, the agents seized the affidavit of the star witness: the spy who wants to give evidence against his former employer.

ASSISTANT: They took a copy - I'm not sure if it was his draft affidavit - but they do have a copy of his affidavit in some form. They've got his name listed on the document that they gave me.

PETER LLOYD: At the same time as Mr Colleary's office was being raided, the retired spy also had ASIO agents at his Canberra home. It's understood that he was questioned for several hours. Agents seized documents too. They have cancelled his passport to stop him from travelling to The Hague to give evidence against Australia.