East Timor spying scandal: Tony Abbott defends ASIO raids on lawyer Bernard Collaery's offices

Prime Minister Tony Abbott has defended an ASIO raid on the offices of a lawyer in the East Timor spying case, saying it was done in the national interest.

East Timor will launch a case in The Hague on Thursday to have a $40 billion oil and gas treaty it signed with Australia ripped up.

It alleges Australia had the advantage in negotiations because of spying conducted by the Australian Secret Intelligence Service (ASIS) in Dili, which it claims was ordered by then foreign minister Alexander Downer.

Yesterday, ASIO officers raided the Canberra office of lawyer for East Timor Bernard Collaery - who is currently in the Netherlands preparing for the case - and cancelled the passport for a retired spy expected to give evidence.

Attorney-General George Brandis has confirmed he approved the warrants to conduct the raid, but denied it was done to affect the arbitration at The Hague.

He says the Federal Opposition was briefed by ASIO earlier today.

This morning the Greens slammed the Government over the raid.

"This is a very disturbing allegation and if it's true, it seems that George Brandis seems to think he's J Edgar Hoover and is able to throw warrants around like confetti," deputy leader Adam Bandt said.

"There needs to be a full explanation from our Attorney-General."

But Mr Abbott says the Government's actions are justified.

Analysis by reporter Peter Lloyd

I think we've set sail into very uncharted waters here. Never before has Timor taken someone to this arbitration panel [at The Hague]; never before has Australia been called to answer questions about spying in a forum such as this.

And this isn't just about a treaty - this is by implication about the maritime boundary between Australia and East Timor.

What's at stake here are issues of sovereignty; it's about billions of dollars in resources; it's about the resource sharing deal that Alexander Downer and the government of the time struck - whether that's valid.

Listen to Peter Lloyd's report on AM
"We don't interfere in cases, but we always act to ensure that our national security is being properly upheld. That's what we're doing," he told reporters in Canberra.

A Greens motion in the Senate, calling for Senator Brandis to explain the raids, failed after a short debate.

East Timor claims ASIS used the cover of Australia's aid program to install listening bugs inside the East Timorese cabinet room so it could spy on sensitive information during oil and gas negotiations in 2004.

The two countries were working on a deal to share revenue from the oil and gas deposits under the Timor Sea, called The Greater Sunrise fields.

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.

Mr Collaery says the details in the allegations have not been made public until now.

"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," he told the ABC.

Star witness has passport cancelled

Mr Collaery says a star witness who ASIO questioned last night was "not some disaffected spy" but the former director of all technical operations at ASIS.

He says the former ASIS operator decided to blow the whistle after learning Mr Downer had become an adviser to Woodside Petroleum in his years after politics.

In a statement to the ABC, Mr Downer says the allegations are old and he will not comment on matters regarding national security.

The whistleblower's affidavit is understood to refer to the alleged 2004 bugging operation as "immoral and wrong" because it served not the national interest, but the interests of big oil and gas.

Mr Collaery says ASIS's alleged spying amounts to "insider trading".

"If this had happened in Bridge Street, Collins Street, Wall Street, people would go to jail," he told Lateline.

Mr Collaery has accused the Government and ASIO of being "crass" by "muzzling the oral evidence of the prime witness".
Attorney-General George Brandis says he approved raids

Senator Brandis has delivered a statement to the Senate confirming ASIO raided the premises of Mr Collaery and a former ASIS officer.

He says ASIO requested the search warrants "on the grounds that the documents and electronic data in question contained intelligence relating to security matters".

"The Attorney-General never initiates a search warrant; the request must come from ASIO itself," he told the Senate.

He went on to explain that security is defined as the protection from "espionage, sabotage, politically motivated violence, attacks on Australia's defence system, or acts of foreign interference; and the protection of Australia's territorial and border integrity from serious threats".

"Of course, honourable Senators would not expect me to disclose the specific nature of the security matter concerned," he said.

He says it is "wrong" to assert that the searches were carried out to interfere with East Timor's case in the Hague.

"I have given an instruction to ASIO that the material taken into possession in execution of the warrants is not under any circumstances to be communicated to those conducting the proceedings on behalf of Australia," Senator Brandis said.

But Mr Collaery rejects that explanation.

"Well so much for George Brandis's respect for Commonwealth whistle-blowing laws ... for the laws of this country. This is an unprecedented step," he said.

Mr Collaery says the documents ASIO officers seized from his office include evidence of Australia installing listening devices into the wall of the East Timor government's cabinet room.

However, he says he also has the evidence with him in The Hague and the raid will do "very little" to hinder East Timor's case.

"The evidence is here. I can't see what the Government hopes to achieve by this aggressive action," he said.

"It can attempt to nullify the whistleblower's evidence, but that evidence has flown - the evidence is here, it's abroad, it's ready."
Labor, Greens say allegations are disturbing

Federal Opposition Leader Bill Shorten says Australia's security agencies should operate within the law, and it is a serious matter.

"If it's a matter of national intelligence then we're not able to comment and that is the convention," he said.

"But certainly the Opposition will be asking the Government to update it on any matters which are relevant to our national intelligence."

Labor backbencher Kelvin Thomson told ABC's AM that he is concerned by the claims.

"I'm troubled by it; both by the allegation that Australian agencies were engaged in spying in East Timor in the commercial interests of a large corporation - that's a very serious allegation and I certainly want to hear more about that," he said.

"The recent raids and the suggestion that they might be about making sure that the previous evidence doesn't come out - I think that's very unfortunate."