Former East Timorese president Xanana Gusmao has revealed that when he raised the issue of Australia’s spying on East Timor during oil and gas negotiations with Tony Abbott last year, the former PM shrugged off the scandal and made an awkward gaffe.

On ABC Lateline, Gusmao recounted:

“I was with [former East Timor prime minister] Mr Mari Alkatiri in Boao in a conference in China and we met the former prime minister Tony Abbott.

“Mr Mari said to him ‘look I’m very, very sad knowing that you spy on us, on our meetings and conversations’.

“And you know what Mr Tony Abbott said? ‘Don’t worry my friend, [the] Chinese are listening to us.’”

On instruction from the Howard government and under the guise of an aid project to help renovate East Timor’s Palace of Government, Australian spooks snuck into the government building in Dili in 2004 and installed listening devices. The information gathered allowed Australia to gain the upper hand in negotiations over an oil and gas treaty between the two countries.

While Australia’s spying on the former Indonesian president and his wife became a huge media-fed scandal when it was revealed two years ago, our bugging of an East Timorese cabinet meeting to gain commercial advantage over our poverty-stricken northern neighbour — and subsequent efforts by the federal government to prevent the truth of the operation coming out — has been met with a relatively muted response here in Australia.

To date, no one — in politics or the bureaucracy — has been held accountable for this illegal act. It is a scandal of the highest order, and the disdain shown by successive Australian leaders on the issue is an international embarrassment.