

PARLIAMENTARY COMMISSION OF INQUIRY

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SYDNEY NSW 2001

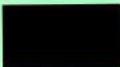
Ph : (02) 232 4922

Mr Ken Aldred MP
Parliament House
CANBERRA ACT 2600

Dear Mr Aldred

I am instructed to acknowledge receipt of your letter of 4 June addressed to the Presiding Member of the Parliamentary Commission of Inquiry and which had enclosed with it a copy of Hansard, Monday, 2 June 1986.

Yours sincerely


J F Thomson
Secretary

11 June 1986



4 June 1986

The Hon. Sir George Lush QC
Presiding Member
Parliamentary Commission of Inquiry
8th Floor
ADC House
99 Elizabeth Street
SYDNEY NSW 2000

Dear Sir George,

At the outset of your deliberations upon the conduct of the Hon. Lionel Keith Murphy, and the matter of his possible misbehaviour within the meaning of Section 72 of the Constitution, I draw your attention to a speech I made in the House of Representatives on Monday, 2 June 1986.

Among other things, the speech dealt with evidence given in camera to the New South Wales Parliament Select Committee of the Legislative Assembly upon Prostitution.

In his response to my speech the Attorney-General, the Hon. Lionel Bowen MP, indicated that the matters raised should be referred to the Parliamentary Commission of Inquiry.

Accordingly I now do that and attach the Hansard record of my speech and also the response of the Attorney General. My speech and the relevant remarks of the Attorney-General will be found on Hansard pages 4395 - 4398 inclusive.

Yours sincerely,


Ken Aldred
MEMBER FOR BRUCE

1 Note R: for by phone to Sir George.
I do ack. b/f to Mr Charles
for info
F.F.
10/6

Encl.

2 Mr Charles
Ref^a for your info

CORRESPONDENCE - MR K. ALDRED MP

3. Melissa - to file pls

~~ALLEGATIONS - UNRESOLVED~~

F.F.
10/6

[P R O O F]



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

HOUSE OF REPRESENTATIVES

Daily Hansard

MONDAY, 2 JUNE 1986

CORRECTIONS TO PROOF ISSUE

This is a Proof Issue. Corrections that honourable members suggest for the Weekly Issue and the Bound Volumes should be lodged with the office of the Principal Parliamentary Reporter as soon as possible but not later than Monday, 16 June 1986.

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
CANBERRA 1986

THIRTY-FOURTH PARLIAMENT

FIRST SESSION—THIRD PERIOD

Governor-General

His Excellency the Right Honourable Sir Ninian Martin Stephen, a Member of Her Majesty's Most Honourable Privy Council, Knight of the Order of Australia, Knight Grand Cross of the Most Distinguished Order of St Michael and St George, Knight Grand Cross of the Royal Victorian Order, Knight Commander of the Most Excellent Order of the British Empire, Governor-General of the Commonwealth of Australia and Commander-in-Chief of the Defence Force.

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Leader of the Opposition—The Honourable John Winston Howard

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Deputy Leader of the Australian Labor Party—The Honourable Lionel Frost Bowen

Leader of the Liberal Party of Australia—The Honourable John Winston Howard

Deputy Leader of the Liberal Party of Australia—The Honourable Neil Anthony Brown, QC

Leader of the National Party of Australia—The Right Honourable Ian McCahon Sinclair

Deputy Leader of the National Party of Australia—The Honourable Ralph James Dunnet Hunt

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Anthony Edward			McGauran, Peter John	Gippsland, Vic.	NP
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Fischer, Timothy Andrew	Farrer, NSW	NP	John Randal		
Fisher, Peter Stanley	Mallee, Vic.	NP			

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Mildren, John Barry	Ballarat, Vic.	ALP	Slipper, Peter Neil	Fisher, Qld	NP
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O'Neil, Lloyd Reginald Terrance	Grey, SA	ALP	Watson, Dr David John Hopetoun	Forde, Qld	LP
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Reith, Peter Keaston	Flinders, Vic.	LP	Willis, Hon. Ralph	Gellibrand, Vic.	ALP
Robinson, Hon. Ian Louis	Page, NSW	NP	Wilson, Hon. Ian Bonython Cameron	Sturt, SA	LP
Rocher, Allan Charles	Curtin, WA	LP	Wright, Keith Webb	Capricornia, Qld	ALP
Ruddock, Philip Maxwell	Dundas, NSW	LP	Young, Hon. Michael Jerome	Port Adelaide, SA	ALP
Saunderson, John	Aston, Vic.	ALP			
Scholes, Hon. Gordon Glen Denton	Corio, Vic.	ALP			

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; NP—National Party of Australia

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Clerk of the House of Representatives—A. R. Browning
Parliamentary Librarian—H. de S. C. MacLean
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*Deputy Prime Minister, Attorney-General, Minister Assisting the Prime Minister for Commonwealth-State Relations and Vice- President of the Executive Council	The Honourable Lionel Frost Bowen
*Leader of the Government in the Senate and Minister for Industry, Technology and Commerce	Senator the Honourable John Norman Button
*Deputy Leader of the Government and Manager of Government Business in the Senate and Minister for Community Services	Senator the Honourable Donald James Grimes
*Minister for Employment and Industrial Relations and Minister Assisting the Prime Minister for Public Service Industrial Matters	The Honourable Ralph Willis
*Treasurer	The Honourable Paul John Keating
*Special Minister of State and Leader of the House	The Honourable Michael Jerome Young
*Minister for Finance and Minister Assisting the Prime Minister for Public Service Matters	Senator the Honourable Peter Alexander Walsh
*Minister for Foreign Affairs	The Honourable William George Hayden
*Minister for Education and Minister Assisting the Prime Minister on the Status of Women	Senator the Honourable Susan Maree Ryan
*Minister for Resources and Energy, Minister Assisting the Prime Minister and Minister Assisting the Minister for Foreign Affairs	Senator the Honourable Gareth John Evans, QC
*Minister for Trade and Minister Assisting the Prime Minister for Youth Affairs	The Honourable John Sydney Dawkins
*Minister for Primary Industry	The Honourable John Charles Kerin
*Minister for Housing and Construction	The Honourable Stewart John West
*Minister for Defence	The Honourable Kim Christian Beazley
*Minister for Immigration and Ethnic Affairs and Minister Assisting the Treasurer	The Honourable Christopher John Hurford
*Minister for Social Security	The Honourable Brian Leslie Howe
Minister for Transport and Minister for Aviation	The Honourable Peter Frederick Morris
Minister for Sport, Recreation and Tourism and Minister Assisting the Minister for Defence	The Honourable John Joseph Brown
Minister for Health	The Honourable Neal Blewett
Minister for Science and Minister Assisting the Minister for Industry, Technology and Commerce	The Honourable Barry Owen Jones
Minister for Territories	The Honourable Gordon Glen Denton Scholes
Minister for Communications and Minister Assisting the Minister for Defence	The Honourable Michael John Duffy
Minister for Arts, Heritage and Environment and Minister Assisting the Prime Minister for the Bicentennial	The Honourable Barry Cohen
Minister for Aboriginal Affairs	The Honourable Allan Clyde Holding
Minister for Veterans' Affairs	Senator the Honourable Arthur Thomas Gietzelt
Minister for Local Government and Administrative Services	The Honourable Thomas Uren
*Minister in the Cabinet	

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Monday, 2 June 1986

Madam SPEAKER (Honourable Joan Child) took the chair at 2 p.m., and read prayers.

QUESTIONS WITHOUT NOTICE

ECONOMIC STATEMENT

Mr HOWARD—I ask the Prime Minister: Will the Government seek to reopen the current national wage case to secure a further discounting of wages which is so crucially necessary in the current economic climate? In view of the importance the Prime Minister has attached to his proposed economic statement, why will this statement not be made to the Parliament in order to facilitate a full and proper debate?

Mr HAWKE—Let me say in regard to the first part of the question that it is no part of our intention to seek a reopening of the national wage case. We will, of course, do the courtesy to the Australian Conciliation and Arbitration Commission of forwarding to it both the statement I will make and any further detailed statement that will be associated with it. As a matter of courtesy that will be forwarded also to the parties before the Commission. In those circumstances they will have an opportunity, should they so wish, to forward to the Commission any comments upon the Government's statements that they would see fit.

In regard to the second part of the honourable gentleman's question, let me say that, as distinct from the panicked ad hocery which characterised the previous Government's Administration and the descent of this economy under its stewardship to the worst recession in 50 years, this Government will go about its task of preparing the positions which we believe are necessary to meet the economic circumstances confronting this nation. That task will proceed during this week. As well as pursuing that task assiduously and appropriately to produce the right results, I will also, in conjunction with my ministerial colleagues in the committee I am chairing, meet on Wednesday of this week with representatives of the business community and on Thursday of this week with representatives of the trade union movement. In a careful and measured way we will again produce the policies which are necessary to meet the economic circumstances confronting this country. Just as we were pre-eminently successful in meeting the challenge confronting us in 1983 to overcome the disastrous legacy handed on to us by the Leader of

the Opposition, so on this occasion we will meet the challenge confronting us.

BUILDING INDUSTRY RESEARCH

Dr THEOPHANOUS—In view of the importance to this country of innovations in the housing industry, can the Minister for housing and construction inform the House as to the current developments in publicly funded building research?

Mr WEST—Most of the Government's effort in the area of building industry research has been directed through the Experimental Building Station, which is a division of my Department, and the Department of Housing and Construction, and through the division of building research of the Commonwealth Scientific and Industrial Research Organisation. The former Government, of course, had decided as part of its discredited and misguided privatisation policies, firstly, to run down and, secondly, to sell off the Experimental Building Station. On achieving office we reversed this situation. We took a threshold decision to retain the Experimental Building Station in public ownership and we set up a committee under an eminent private sector consulting engineer, Mr Mick Ryan, to advise on the future of the Experimental Building Station and, indeed, across the whole area of public interest research in the building industry. Subsequently we considered Mr Ryan's recommendations and we decided to strengthen the Experimental Building Station, on his recommendation, and to consider the Ryan committee recommendation across the wider issue of coordinating public effort in the building and construction industry research area across the nation.

Last year we took a fundamental decision to redevelop the Experimental Building Station into a National Building Technology Centre. We significantly expanded the funding from the Budget for that Centre and we gave it a completely new charter to develop the National Building Technology Centre into a centre of building research excellence which would not only be a credit to this Government and to the Department of Housing and Construction but also a credit to the industry generally. At that time we took an in-principle decision to develop detailed proposals for a single National Building Research Institute which could involve the futures of both the newly constituted NBTC and the Division of Building Research in the CSIRO.

To this end, a committee of officials from my own Department, and from the Department of Industry, Technology and Commerce, from the

Department of Science and from the CSIRO has been working to bring forward a detailed set of options as to how improved liaison in the building research industry can be achieved. I have consulted various State Ministers on this matter, particularly at the last Federal-State construction Ministers meeting. I am very pleased to relate to the House that all support for the principle of a single National Building Research Institute and that they have expressed support for improved liaison in the area of building research at all levels of Government and Industry, especially in the area of the dissemination of information.

I expect that the Building Research Review Committee will forward its developed proposals to me by the end of this month, and the Government will then be in a position to consider its options; but I am confident that arising out of these procedures we have instituted, this Government will achieve a much improved effort in the building research and liaison within the industry.

ECONOMY

Mr HOWARD—My question is addressed to the Treasurer. I refer the Treasurer to an interview he gave on the *PM* program on 5 September last year. In response to a question on that program, he said:

... let me make this quite clear. The Treasurer has the levers in his hands. You can't talk about the world economy, anything else, so it certainly impacts upon you. You have the responsibility, you have the levers.

Does the Treasurer still believe that it is invalid to talk about world economic circumstances and, secondly, does he still believe the economic levers are in his hands?

Mr KEATING—I think it is entirely valid to talk about world economic circumstances and I think it is entirely valid that the Government should respond to them by using the levers in its hands. That is the difference between this Government and the former Government. I remember the former Treasurer running around saying: 'This is what the world has done to us'. That is what Mr Fraser and Mr Howard said when developing their alibi in 1982. If we had the same terms of trade that they had in 1982, the current account deficit would be \$6 billion, not \$13 billion. That is the difference. Remember their expressions 'The world has left us behind' and 'We are not waiting on the world'. One needs a good memory in politics. On the terms of trade which they had then, the balance of payments would simply not be an issue for this Government because the exchange rate alone

would be doing the task of rebalancing the export-import balance of the balance of payments. But the fact of the matter is that, while the massive depreciation is doing its work, it is being swamped by this massive decline in the terms of trade. However, this Government is not saying: 'Look, the world has dealt us a cruel hand and we are going to sit here mute and do nothing about it'. We are going to make internal economic policy adjust.

The former Treasurer made economic policy adjustment by giving us a massive recession, 11 per cent unemployment, and he got a slow down in wages out of an unemployment surge to 11 per cent. That is how he made the adjustment. He had the scorched earth policy—that was the adjustment: The economy was so burned out that there was hardly any labour market left. No wonder the unions' negotiating position dropped—there was hardly anybody in employment. That is the kind of policy that honourable members opposite have. When one again pores through the analysis of the Opposition's policy position, one sees that it is simply this: To flatten the economy to flatten import growth, to flatten the economy to flatten inflation, and to not worry about unemployment, as the unemployed can carry the adjustment. If honourable members opposite want Australia to end up like Britain and other places where there are social problems, social pressures and social strife, and there is the basis of a very unfair society, that is entirely the sort of policy they should follow.

DEFENCE FORCE

Mr SNOW—Is the Minister for Defence aware of recently reported statements by the Opposition spokesman on defence to the effect that: The Dibb review simply dresses up 'fortress Australia' policies in a new form; the Government is fostering complacent attitudes by saying that there is no imminent threat to Australia; and Australia's defence forces will be worse off under Dibb's recommendations than they were in 1939? Can the Minister inform the House whether these remarks accurately reflect either the content of the Dibb review or Government policy?

Mr BEAZLEY—I thank the honourable member for his question and I will seek to deal with it in some detail, because these are important issues. I would like to take the last point that the honourable member made about whether or not, as a result of the Dibb review, we will be left looking as we were in 1939. I would say that, if there was any point from which the Dibb review or our Government policy sought to take

Australian defence forces, it was the situation that existed in 1939. At that time there were virtually no modern aircraft in the Australian Air Force. There was a situation where we had some 80,000 militia and only 2,000 regulars and where there was a moderately sized navy, but that navy was predicated totally on the assumption of the retention of the Singapore base. In 1939 we were in a classic forward defence position. It was a weak position, and it was railed against by Curtin in Opposition at the time, who, tragically, was ignored through the 1930s. The consequence of the failure to take notice of him was the appalling situation in which we found ourselves in 1941. If we are going to take some unfair historical analogies from the time, I suppose my response is that not only will we not be in the situation that we were in in 1939 but also we will have no more 'Brisbane lines'.

The second point that the honourable gentleman raised concerned the question of threat assessment. Let me start out by saying quite clearly that our assessment of threat is no different from that which existed in repeated strategic assessments of our opponents when they were in office. I will protect the threat assessment that was approved by the Opposition spokesman on defence when he was Minister for Defence and when he was a member of the Cabinet which had the opportunity to deal with the former Government's 1976 White Paper and also to deal with the threat assessment in successive strategic bases. It is not as though the previous Government's threat assessment was made during a period in which there were not events occurring in the region. Let us remember that the previous Government's threat assessment, with which we agree, in 1976 was produced after a major advance, if one wants to view it in these terms, of communist power in Indo-China in the early 1970s.

It was a threat assessment produced against the background of the first major Soviet incursion outside Soviet territory or eastern Europe in Afghanistan. It was a threat assessment produced against the basis of a major border conflict between China and Vietnam. There was ample instability in the region, ample reason for changing that threat assessment, if the Government thought it was worthwhile doing so.

But there will be changes in emphasis in the area of threat assessment and not in the direction of which the right honourable gentleman was talking. He has focused attention in what he has had to say on that level of assessment which deals with the least likely but most sub-

stantial threat to our security, that is, a substantial incursion or substantial threat to our territorial integrity. The assessment that he developed when he was in office, and one that we agree with, was that it would take some eight to ten years for such a threat to build up in our environment. That is not based on political circumstances; it is based on an assessment of capabilities. The politics of a situation can change from day to day—it can change at any point of time—but the development of capabilities takes time. On that ground he based his threat assessment and on that ground we would agree with him.

However, there is a second element to that which hardly ever gets any mention. What about the situation that occurs of threats less than those to our territorial integrity but nevertheless to substantial national interests? These can occur, of course, at any point of time and can involve a military component. We would agree that that has not had a sufficient degree of emphasis in the force structure planning under the previous Government. It will start to get a degree of emphasis in the force structure planning of this Government from this point on. So, far from being unrealistic about our threat assessments, we shall start from this point on to assess those threats in a far more sensible fashion.

As regards the Fortress Australia accusation, which the right honourable gentleman persists with, despite answers I have given on previous occasions in this House there is absolutely nothing in our policy on defence self-reliance which deviates in any way substantially from the views that Government put forward in its 1976 White Paper on what ought to be the basis of defence planning for this country. Further than that, there is absolutely nothing in our posture which is not anticipated from us by our allies.

I have been talking in terms of the Guam doctrine which was outlined in 1969. Perhaps honourable members may like a more contemporary assessment of that. I will conclude with it. I refer to a statement by the United States Secretary of Defense, Caspar Weinberger, speaking in November 1984. Whatever one's point of view, one thing one has to say about Caspar Weinberger and this current administration is that, when it comes to the use of armed force to back up American diplomacy where it sees a serious interest threatened, there is a certain amount of will and purpose about the Americans. They are not backsliders when it comes to a willingness to deploy American military power in defence of their interests. This quote in No-

vember 1984 ought to be written in the hearts of everybody interested in defence planning in this country and viewed against that background. He said:

We have learned that there are limits to how much of our spirit and blood and treasure we can afford to forfeit on meeting our responsibility to keep peace and freedom. So while we may offer substantial amounts of economic and military assistance to our allies in time of need, and help them maintain forces to deter attacks against them—we cannot substitute our troops or will for theirs.

I say to Caspar Weinberger: 'Hear, hear!' Our defence planning will be based on that. That is the position that we adopt. That is the relevant position for defence of this country, and that decision will be reflected in the Dibb report, which I shall table tomorrow. The farrago of nonsense that has come forth from Opposition spokesmen on defence will be amply answered.

NATIONAL ACCOUNTS

Mr CARLTON—My question is addressed to the Treasurer. I refer him to the latest national accounts figures that show an 8 per cent fall in business investment so far this financial year. In view of the fact that a 50 per cent increase in business investment in the June quarter would be required to meet the Budget forecast, does he still stand by his statement to EPAC on 9 May, only three weeks ago, that business investment is running 'in excess of the Budget forecast'?

Mr KEATING—Well, of course, I would not, if the national accounts say that those things have been revised downwards. I do read the national accounts and I do take some notice of them. The fact is that investment is slower than we might have thought, and would have liked it to be. There are some factors in that that I think one would be foolish not to recognise. For instance, the Australian taxation debate, which we had through 1985, and all of the things that are germane to investment, would have contributed to some uncertainty in the minds of investors until those issues were resolved by the Government and by the Parliament.

Mr Carlton—That is the first time you have admitted that.

Mr KEATING—I have no problem admitting, in fact I am happy to admit, that it is something that the country must afford. It must occasionally afford a debate on taxation questions. We have had an open and sensible debate, and that would, no doubt, have been factored into those things. In addition, the business community has been looking at the general cast of policy. The Government's increased tightening of monetary

policy toward the end of last year might have had some influence on investment decisions. That policy has had an important role to play in moderating domestic demand. There are some undesirable impacts on investment that go with that, but without that moderation of demand, some of which is seen in the national accounts one would have to say that the kinds of demand figures which were in evidence in the latter part of last year were really unsustainable in current account terms; so, on balance, I do not think that the Government would have acted any differently.

Of course, to the extent that investment is not as high as we would like it to be, that is a pity, but we expect that it will improve with future conditions. I think that this goes again to the question asked by the Leader of the Opposition. The Government is responding to this international difficulty imposed upon Australia. When the business community sees that the Government is prepared to make internal adjustments, its confidence in the long run competitiveness of this economy will be lifted. It is those factors such as longer run considerations that determine investment. It is not just the attitudes that are confected, or otherwise, in one quarter or another, but the long haul, the long run—and this Government is in there for the long haul, which honourable members opposite will witness to their continuing displeasure.

SCIENTIFIC JOURNALS

Ms MAYER—My question is directed to the Minister for Science. Today's Melbourne *Age* newspaper contains an article at page 14 headed 'Cuts threaten local journals'. This article suggests that current restrictions on Australian journals of scientific research might eventually harm Australia's economy. Can the Minister inform the House of the facts of the situation?

Mr BARRY JONES—The problem faced by the 10 Australian scientific journals is quite serious because they represent a high degree of Australia's scientific visibility. Historically, the difficulty for the Commonwealth Scientific and Industrial Research Organisation is that these journals have been taken as one of its responsibilities; it has always borne the costs of publication. Those costs now amount to about \$2m a year. It is true that about \$1.5m comes from subscriptions each year, mostly from overseas, so there is a \$500,000 shortfall. However, about 80 per cent of articles contributed in the course of a year come from the academic community with only about 20 per cent coming from the CSIRO. It bears 100 per cent of the cost, and the aca-

demographic community bears zero per cent of that cost. We have now reached the point where we should resolve urgently the question of how much the academic community is prepared to contribute from its own resources to maintain publication of these very important journals. That they represent the flagpole of Australian science—and we are spending a lot of money in other flagpole areas. We have to determine collectively—not just the science portfolio and not just the CSIRO, but the Department of Education and the academic community generally—how much we are prepared to contribute. This matter is important. I propose discussing it with my colleague Senator Ryan, the Commonwealth Tertiary Education Commission and the Universities Council to see what can be done. I am sure there is general agreement that we must resolve the situation. However, it must be stressed that what has been proposed is not a permanent cutback; it was a cutback for this financial year. Depending on the outcome of the 1986-87 Budget, it may be that the publication can go on as before. I hope there will be a contribution from the academic sector, but that remains to be seen. The situation about which so much public attention has been generated has simply been about this financial year.

FRINGE BENEFITS TAX

Mr HUNT—What changes does the Treasurer propose to the fringe benefits tax in order to meet the Prime Minister's encouraging promise of last Saturday to review the harsh impact which this tax will have in rural Australia, estimated by the Livestock and Grain Producers Association to cost farm employers \$150m a year? Is the Treasurer aware of the need for urgency if changes are to be made because the legislation will be going into the Committee stage in the Senate this afternoon?

Mr KEATING—As I understood the Prime Minister's remarks, some particular or specific circumstance was offered to him in conversation which he said he would examine. I think he is doing that. However, that examination does not imply that that requires a change to the legislation. Upon examination of the specifics it may well require a change. This is the first business day after the Prime Minister returned from that visit and he is entitled—I should have thought honourable members opposite would have thought so—to think about those matters and to talk to me about them.

Let me say this: I have seen some advertisements in the *Land* by the President of the National Farmers Federation, Mr McLachlan, which

are grossly misleading and are gross exaggerations of the position. I think it is a great shame that somebody who aspires to national leadership in leading a farm community should seek to frighten people unnecessarily and to mislead them unnecessarily about something which affects their everyday lives. I just make a couple of points about it. It is an absolute insult to farmers to imply that they are all cheating—I would not know why Mr McLachlan made this point—that private expenses are being claimed by family companies and therefore that they will have to pay more tax, when he knows that private expenses should not be claimed by family companies. He assumes that farmers are claiming private expenses for family companies. Then he takes the worst possible case of tax rorting and tries to concoct the largest possible calculation of the tax on fringe benefits. The fact is that most farmers and farm workers have not arranged their affairs in that way. I take the view that most farmers arrange their tax appropriately within the law, that they pay their fair share of tax and that they make their arrangements accordingly. If they provide benefits to employees the employees declare those benefits.

Of course, the National Farmers Federation does not say that the tax should not be paid; it says that it should be paid by the employee. The advertisement says that the tax should be paid by the employees. One of the claims in the advertisement is that the farmers have to pay tax on their own farm houses. I have already indicated that that is not the case if the farm house is owned by the company. However, if the company is running deductions for the private costs of the homestead, that is something which ought not to happen and thus the fringe benefits tax would apply. The advertisement goes on to list private expenses such as electricity, private transport and so on, but what it does not say is that implicitly these private expenses are being claimed as tax deductions. Nobody else is entitled to claim for electricity, private transport and private expenses. The advertisement implies that private expenses are being claimed as tax deductions. I do not believe that farmers think that they alone should be able to claim private expenses. It is a disgrace that the National Farmers Federation advocates that view or implies that that view is held by farmers. I do not think that is a view that is held by farmers. Farmers know the law and know that their private expenses are not deductible.

But the fact is that amongst the many inaccuracies and exaggerations in the advertisement there is no mention of the 40 per cent discount for

rental values for remote employee housing, of the deduction from the base tax of the actual rent paid, that the employers providing free gas, electricity and other services get a deduction for those, or of the exemption of the first \$200 of taxable value of goods provided—when talking about foodstuffs. In relation to meat, in the side of mutton example that Mr McLachlan has used he puts it as \$10 a week when the Bill says that it is to be the lowest price charged by the employer, which is 27c a kilo on average sale-yard prices, which would mean that the value of a year's supply would be \$140, which is under the \$200 a year threshold. Taking Mr McLachlan's mutton example, no tax is to be paid at the rates available. The advertisement goes on to state that tax returns will need to be submitted every six weeks when, in fact, it will be a quarterly instalment. It also says that provisional tax is payable, when it is not payable. This advertisement is supposed to be from a lobby which understands the Bills. The farmers subscribe to the NFF on the basis that as a lobby organisation, a representative body, it is supposed to understand the Bills.

The fact is that this is an appalling demonstration from an organisation which claims to have leadership of our farm community. It is an appalling demonstration of behaviour by Mr McLachlan for lending his name to the advertisement, and it is insulting to the people he claims to represent by saying that they are all tax cheats ripping off the system by claiming private expenses—which most of them are not. It is grossly misleading and exaggerates the legislation introduced by the Government. Of course, the advertisement does not mention lower tax rates, a full imputation system, abolition of division 7 tax for private companies, reductions in the top marginal rates from 60c to 49c in the dollar and from 48c and 46c to 40c in the dollar. It is a most disgraceful advertisement. It smacks of all the worst instincts of some people in this country who think that there should be no decent tax laws and no fairness in the tax system and that there should not even be any reasonable assessment of what the Government is actually trying to do. They think that there should be no regard for the concessions which the Government has built into the legislation. They simply try to frighten people with a farrago of fact and fiction which bears no relationship whatsoever to the truth.

EMPLOYMENT OF WOMEN

Mr O'KEEFE—I am sure that all my colleagues on the task force congratulate the Treasurer on his answer.

MADAM SPEAKER—Order! Perhaps the honourable member will now proceed with his question.

Mr O'KEEFE—Yes. Madam Speaker. My question is addressed to the Minister for Employment and Industrial Relations. Recent figures confirm that the Government has created over 675,000 new jobs since coming to office. During this time the number of people taking up these jobs has been greater than the fall in the number of those registered as unemployed. Can the Minister explain why this has occurred, who has taken up the extra jobs and what have been the effects of these trends on the standard of living of ordinary families?

Mr WILLIS—The question raised by the honourable member is a very important one because it brings to light the fact that under this Government there has been not only a very strong rate of growth in employment but also associated with that a very substantial increase in the level of work force participation, which has added over 200,000 people to the work force since this Government has been in office. Of course, this has meant that it has not been possible, despite very high rates of employment growth, to reduce the level of unemployment below the present level of 7.9 per cent. Had we had not that increase in the work force participation rate but instead the participation rate that existed when we came to office, the unemployment rate would be down to just over 5 per cent. So it can be seen that the work force participation increase has been a very important factor. Of course, that is a matter of great interest. However, that is not to say that the hidden unemployed who have been getting jobs through that increase in the participation rate do not have an entitlement to seek employment; of course they have.

Overwhelmingly the increase in the participation rate occurs among women. The present work force participation rate of 48.9 per cent for females is the highest ever in our history. It indicates a very strong increase in employment and in work force participation by women in this country. This Government is proud indeed of the fact that, of the 670,000 jobs that have been created, 59 per cent have gone to women. Therefore, there has clearly been a very strong growth in the employment of females. Overwhelmingly, those jobs that have occurred across the nation have been full time jobs. Three-quarters of total jobs have been full time jobs. The increase in the participation rate is an important factor and is particularly relevant to women.

However, the female participation rate in this country is not particularly high by the standards of some other countries. Compared with some western European countries, where the participation rate of females is over 60 per cent, we still have a long way to go. The other policies that this Government has produced, such as the Sex Discrimination Act and the affirmative action program, remain important elements of our policy to increase the participation rate for women and also to increase the equality of treatment of women within that participation in the work force. This Government is proud of what it has been able to do for women in the work force and expects to do a lot more for them in the future.

FRINGE BENEFITS TAX

Mr HOWARD—My question is addressed to the Prime Minister. In view of the Treasurer's denial of any intention on the part of the Government to change the fringe benefits tax legislation to lessen its impact on farmers, can the Prime Minister now tell us the precise status of the undertaking he gave to farmers last Saturday about that same fringe benefits tax?

Mr HAWKE—It only goes to show what a great pity it is that the Leader of the Opposition did not spend more time listening instead of braying like a donkey. If he had listened to the answer that was given by my colleague the Treasurer, he would have heard the Treasurer put the position precisely and accurately; that is, the Treasurer said that I was seeking information—which I am doing—and he did not preclude the possibility that, if that information showed the necessity for change, change could occur. But he indicated that the first thing is to get that information. Information was put to me by the very enthusiastic audience in the very constructive meetings that I had with the farmers in the area, who appreciate the way in which this Government, as distinct from its predecessors, is prepared to listen and to consult. That process will go on. The Treasurer answered the question accurately and entirely in line with what I said on Saturday.

TECHNOLOGICAL DEVELOPMENT

Mr STAPLES—Is the Minister for Science aware of the difficulties being faced by an Australian robotics company in attracting interest in this technology from Australian manufacturers? What can be done to awaken Australian private enterprise to the value and potential of Australian technological development occurring under its nose?

Mr BARRY JONES—There is a very interesting account in this morning's *Canberra Times*. It illustrates yet again the problems that we face in Australia. Very often technology is developed here and then we find that there is local resistance to its adoption in Australian factories. We then have to sell the product overseas. Only when it is sold overseas and universally recognised do local people pick it up. It is part of the cultural cringe that we have had for a long time; it is a technological cringe. It is a tragedy that in many ways Australian research capacity is plugged into the world capacity. What we are doing in our research laboratories is very highly regarded overseas. We find in Australia a kind of local scepticism about any product which is developed here. If the Americans adopt our products and say they are any good, our people will say that they will adopt them as well. This has been true in many areas. I remember years ago when we were first trying to push the idea of Australia going into biotechnology in various areas. Again and again we would find Australian businessmen asking: 'Are the Americans in this area?' If we said 'Yes, the Americans were in this area', they would say: 'Well, there is no use us being in it'. If we said 'No, the Americans are not in this particular area', they would say: 'Well, it cannot be any good; there is no use us getting into it'. We put the Indian sign on our forehead and knock ourselves out of the game.

I will check out the material provided in the article in the *Canberra Times* today. The story about the CF310 robot sounds absolutely true to form. The proponent of this robot showed it at an international robotics exposition in Chicago. It costs \$20,000, compared with robots from overseas with equivalent performance which cost \$70,000, so it gives quite small firms the opportunity to get a robot, use it to maintain their already existing labour force and produce far more goods at a competitive price. That sort of thing ought to be welcomed on all sides. But we have the tremendous problem that so many people when faced with new technology do not know what to do with it. A couple of years ago a department of the University of New South Wales was showing firms how they could use laser techniques in new industrial practices. They went around to various factories giving a show and tell demonstration of what could be done. The managers were always amazed and said 'It is a fantastic thing'. But when the people from the University of NSW said 'Well, what are you going to do about it?', almost always they said: 'It would not work here; it would be all right in Norway or Sweden, it would be all right some-

where else, but it just would not suit our conditions here'. If we are to drag our manufacturing industry up to the 1980s and beyond we have to change these attitudes, and we have to change them radically.

CONSTITUTIONAL COMMISSION

Mr REITH—I refer the Attorney-General to the establishment of the Constitutional Commission and to the report in today's *Sydney Morning Herald*, in which he is quoted as having said:

It is an independent Commission and it makes its own arrangements. There was never a suggestion that Mr Solomon had been given any special treatment.

I ask the Attorney whether or not it is a fact that in a minute of 6 January 1986 from Brian Burdekin, his principal private secretary, to Burt Mowbray, he advised the Department:

This minute is to supplement my earlier advice by phone and also in a minute to Peter Ford on 23 December concerning the Attorney's decision to appoint a senior consultant to the Constitutional Commission who will be responsible for all communications with the media, publications and dissemination of information. The person the Attorney has chosen is Mr David Solomon.

Does the Attorney now deny that David Solomon was his chosen and special appointee for that job?

Mr LIONEL BOWEN—I do not deny my suggestion to the Commission; I do not deny at all that I suggested to the Commission that David Solomon would be very good to have as a media consultant. He is not the only person I suggested might be able to get involved with the Commission. In fact, I rang a number of media people throughout Australia. Most of them would like to have been involved to help Australia but their managing directors said that they should not join the Commission. That applies to media representatives in Sydney, Melbourne and Perth, but not from the point of view of getting a consultancy fee. The fact is that their managing directors did not want them to be involved with a Commission that might help Australia.

Mr Howard—Oh! Ha, ha!

Mr LIONEL BOWEN—The Leader of the Opposition laughs. It is about the only time he does laugh. The honourable member who asked the question is saying that the Commission should not be used to try to bring Australia into the twentieth century. We are to have a Constitutional Commission. God forbid, the previous Government had enough Constitutional Conventions. It spent about \$7m on Constitutional Conventions which produced nothing—understandably, because a number of its own

people were involved. What we are about in this area of constitutional change is to provide to the people of Australia some knowledge of what we need to do. Nobody could decry the expertise of David Solomon. He is on contract to one of the leading newspapers to report on High Court judgments in constitutional matters. He is a man of the utmost expertise. His sitting fee is rather minimal. His consultancy is with the consent of the Commission because he will be able to talk about media projection and information to the whole of Australia. What is wrong with that? Let me finish on this point: David Solomon could not be too bad because his last Commonwealth appointment was to write a book on the Bicentennial—under Malcolm Fraser.

TENTH CONFERENCE OF ASIAN AND PACIFIC LABOUR MINISTERS

Mr WILLIS (Gellibrand—Minister for Employment and Industrial Relations)—For the information of honourable members, I present the report of the Tenth Conference of Asian and Pacific Labour Ministers held in Melbourne in October 1985.

INTERNATIONAL LABOUR CONFERENCE

Mr WILLIS (Gellibrand—Minister for Employment and Industrial Relations)—For the information of honourable members, I present the report of the Australian delegation to the seventieth session of the 1984 International Labour Conference. I also present the International Labour Organisation instruments as adopted by the seventy-first session of the 1985 International Labour Organisation conference relating to Convention No. 160 and recommendation No. 170 concerning labour statistics and Convention No. 161 and Recommendation No. 171 concerning occupational health services, together with the text of a statement relating to the reports and instruments.

Motion (by **Mr Young**) proposed:

That the House take note of the paper.

Mr N. A. BROWN (Menzies)—I move:

That the debate be adjourned.

I express the hope that the Minister for Employment and Industrial Relations (Mr Willis) will still be able to attend this year's International Labour Organisation conference.

Question resolved in the affirmative.

NON-GOVERNMENT SCHOOLS LOANS GUARANTEE SCHEME

Mr KERIN (Werriwa—Minister for Primary Industry)—Pursuant to sub-section 12 (1) of the Non-Government Schools (Loans Guarantee) Act 1977, I present the annual report of the non-government schools loans guarantee scheme for 1985.

INDEPENDENT SCHOOLS LOANS GUARANTEE ACT

Mr KERIN (Werriwa—Minister for Primary Industry)—Pursuant to sub-section 8 (1) of the Independent Schools (Loans Guarantee) Act 1969, I present a report for the period 1 July 1984 to 31 December 1985 of guarantees given under the Act and any payment made under any guarantee given under the Act.

CURRICULUM DEVELOPMENT COUNCIL

Mr KERIN (Werriwa—Minister for Primary Industry)—Pursuant to sub-section 14P (2) of the Commonwealth Schools Commission Amendment Act 1984, I present the Curriculum Development Council annual report for 1985.

AUSTRALIAN NATIONAL UNIVERSITY

Mr KERIN (Werriwa—Minister for Primary Industry)—Pursuant to sub-section 33 (3) of the Australian National University Act 1946, I present the annual report of the Australian National University, part 2, for 1984, together with the Auditor-General's report and a statement of explanation on the delay in presenting the report. Honourable members will recall that an interim report of the Australian National University was presented on 22 August 1985.

GUIDE TO THE ASSESSMENT OF RATES OF VETERANS' PENSIONS

Mr HOLDING (Melbourne Ports—Minister for Aboriginal Affairs)—Pursuant to sub-section 29 (7) of the Veterans' Entitlements Act 1986, I present a document relating to the guide to the assessment of rates of veterans' pensions.

TREATMENT PRINCIPLES

Mr HOLDING (Melbourne Ports—Minister for Aboriginal Affairs)—Pursuant to sub-section 90 (6) of the Veterans' Entitlements Act 1986, I present a document relating to treatment principles.

REPATRIATION PHARMACEUTICAL BENEFITS SCHEME

Mr HOLDING (Melbourne Ports—Minister for Aboriginal Affairs)—Pursuant to sub-section 91 (4) of the Veterans' Entitlements Act 1986, I present a document relating to the repatriation pharmaceutical benefits scheme.

VEHICLE ASSISTANCE SCHEME

Mr HOLDING (Melbourne Ports—Minister for Aboriginal Affairs)—Pursuant to sub-section 105 (4) of the Veterans' Entitlements Act 1986, I present a document relating to the vehicle assistance scheme.

VETERANS' CHILDREN EDUCATION SCHEME

Mr HOLDING (Melbourne Ports—Minister for Aboriginal Affairs)—Pursuant to sub-section 117 (4) of the Veterans' Entitlements Act 1986, I present a document relating to the veterans' children education scheme.

WESTERN AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Annual Report

Mr UREN (Reid—Minister for Local Government and Administrative Services)—Pursuant to section 10 of the Local Government (Personal Income Tax Sharing) Act 1976, I table the annual report of the Western Australian Local Government Grants Commission 1985, which contains the Commission's recommendations for distribution of Commonwealth income tax funds to individual councils.

PERSONAL EXPLANATIONS

Mr PEACOCK—Madam Speaker, I seek leave to make a personal explanation.

Madam SPEAKER—Does the honourable member claim to have been misrepresented?

Mr PEACOCK—Yes.

Madam SPEAKER—Please proceed.

Mr PEACOCK—In the course of an answer to a question last Thursday, which answer I have now had the opportunity to read—

Mr Holding—It reads well.

Mr PEACOCK—It reads in an interesting manner. As this is a personal explanation, I will not go through the elements of it which are riddled with inaccuracy. It dealt with the oddyssey without purpose of the Minister for Foreign Affairs (Mr Hayden) through the South Pacific. Amongst other things, he alleged that I had not been to Western Samoa and Tonga. He was

wrong. I will deal with that matter on another day because it is not possible to deal with that during a personal explanation, but it is important to correct the record. I did note one interesting reference in the answer where the Minister said he had had discussions with the President of Tuvalu. I thought my recollections were such that there was no President of Tuvalu. The Minister's own Department has advised my office that the Queen is still the head of Tuvalu, so it would be interesting to know the nature of such phantom discussions.

Madam SPEAKER—The honourable member is now getting past a personal explanation.

Mr PEACOCK—That is for another day.

Mr GEAR (Canning)—I seek leave, Madam Speaker, to make a personal explanation.

Madam SPEAKER—Does the honourable member claim to have been misrepresented?

Mr GEAR—I do.

Madam SPEAKER—Please proceed.

Mr GEAR—In the adjournment debate last Wednesday night I pointed out the double standards of the Opposition's Waste Watch Committee and illustrated the cost of its activities by referring to the \$1m conservative estimate for answering the questions on notice by the honourable member for Richmond (Mr Blunt). In the Senate on Thursday night, Senator Michael Baume accused me of being—I quote from page 3057 of *Hansard*—'the hatchet man for the Ministry'. I point out to the House that I visited the Minister's offices on my own initiative only to ascertain whether they had received any constructive suggestions from the Waste Watch Committee on cutting waste, and, of course, they had not. At no time did any Minister request me to take any action on his behalf, and I reject Senator Baume's assertion for the groundless accusation that it is.

GOVERNMENT'S POLICIES FOR MARKETING RURAL PRODUCE

Ministerial Statement

Mr KERIN (Werriwa—Minister for Primary Industry) (2.54)—by leave—I wish to make a statement on the Government's policies for marketing rural produce. This Statement includes the White Paper on the 'Reform of Commonwealth Primary Industry Statutory Marketing Authorities'—or SMAs—which I presented to the House on 12 February 1986 and the relevant aspects of the Government's Economic and Rural Policy Statement which was released on 15 April. My intention is to now explain to Parliament

the context, purpose and details of the Government's marketing policies and the marketing authority reforms. The SMA reforms have already been included in legislative changes to the Australian Wine and Brandy Corporation, the Australian Wheat Board, the Australian Meat and Livestock Corporation and the Australian Dairy Corporation. This legislation has been passed by the House and is presently in the Senate.

On 5 May I announced that the Australian Honey Board is to be re-structured and it is expected that legislation will be introduced in the next session of Parliament. In my April rural statement I announced that the Government will establish a Horticultural Marketing Corporation to overcome problems in the marketing of horticultural products. In addition, at the request of the Australian pig industry, the Government is developing proposals to re-structure the statutory arrangements in this industry. All of these changes flow from the Government's view that there needs to be a fresh approach to promoting and marketing Australia's rural produce.

This view stems from the fact that real net incomes of Australian farmers have been squeezed in recent times much more by a fall in returns than by the rise in costs. Of course, the Government does not underestimate the importance of controlling cost pressures. Lower costs are vital to improving the competitiveness of our rural industries. Under this Government's policies, farm costs have fallen in real terms and in my April statement I explained a range of initiatives to reduce them even further. However, falls in returns from international markets have been by far the most important cause of the problems we face today. The causes of general reductions in international prices for rural commodities are now well known and understood. During the 1980s, production has continued to grow while the growth in world demand has stopped. The difference has gone into stocks and as stocks have increased the downward pressures on world prices have also increased. These pressures have been exacerbated by the major stockholding nations, particularly the European Economic Community and the US, resorting to export subsidies to help them quit their excessive stocks.

The Government will actively continue its efforts to reverse the corruption of international markets caused by export subsidies and domestic price support provided by the EC, the US and others. At the same time, Australia must also critically appraise its own efforts in marketing rural produce. We need to adopt a positive

approach to the problems we face and vigorously seek new ways of marketing our traditional products. We must also look for opportunities to develop new products and markets. This will require more research and development and sophisticated market research. While bulk commodities will continue to be the mainstay of our rural exports, Australia should closely examine the potential for developing value added products and positioning these in profitable markets. Such products not only increase the returns received, but also create domestic investment and employment. In addition, we must seek ways of differentiating our products from others and promote their unique qualities in particular markets.

The Government accepts that it must provide leadership in giving a new direction to Australia's present marketing systems and approaches. Since my April statement, the Government has moved on the proposal to set up the special fund of \$25m for innovation in agricultural marketing. This will be made available over five years. We are also developing proposals for the establishment of the Horticultural Marketing Corporation involving a commitment of \$10m over five years for this and related organisations. The Corporation will be aimed at providing a new direction to the marketing of both traditional and newer horticultural products. These new initiatives build on continuing strong support to wool promotion involving about \$32m this financial year under the current five-year program and to meat marketing innovations involving some \$7m over four years.

In addition, the Commonwealth statutory marketing authorities will continue to have a key role in marketing Australia's agricultural produce. In order to assist them in this task the Government has a responsibility to ensure that they are provided with the best possible structure and arrangements. To this end we developed the White Paper, which I released in January. The document provides a forward looking, workable and comprehensive policy framework which will govern the way in which the authorities are constituted, their role and responsibilities, their relationship to the Government and Parliament and their relationship to industry. This is the first time that a Commonwealth government has developed a comprehensive policy approach to the operations of these authorities. It is part of our overall approach in reforming public sector administration and in ensuring that all Commonwealth authorities are efficient and effective organisations. This is a far more productive approach than the talk of privatisation by the members opposite. The policies

contained in the White Paper have been developed progressively since our election to government in 1983. As I mentioned, the policies are being implemented in reforms to the statutory marketing authorities, and similar policies underline the new rural research arrangements. I intend to continue this reform process.

In developing its policies, the Government has given close attention to the distinctive characteristics of the marketing authorities and the environment in which they operate. It must be remembered that these authorities have been established at the request of certain industries to perform functions on their behalf. They are also financed by the industries concerned, either through statutory levies or from the sale of produce. The statutory marketing authorities do not perform public business or service functions and are not funded by the Commonwealth Budget. As such it is the Government's intention that they operate with commercial autonomy and continue to be financially self-supporting.

Five key principles underline the Government's policy approach to the marketing authorities: First, the objectives and functions of the authorities will be clearly stated in their enabling Acts and will provide the basis of their operations. Secondly, boards of the authorities will be established on a corporate rather than a representational basis with members selected according to merit and relevant expertise. Thirdly, the authorities will be provided with autonomy from external controls and boards will be given responsibility and authority for directing their business along commercial lines. Fourthly, as Minister I will relate to the authorities at the strategic level through their corporate and annual plans to ensure that their direction and overall performance is in keeping with their essential purpose as set out in legislation. Finally, the authorities will have their accountability strengthened, both to the industries they serve and which are their source of funds, and through the Minister to Parliament which provides their statutory existence.

I wish to make a few points about each of these policy principles. With regard to their first principle, the authorities have been established to market specific rural products or conduct associated marketing activities. They must direct their resources to this role and not become involved in issues which detract from it, such as industry politics, industry lobbying activities, or the generic promotion of the rural sector. In this respect, the Government holds a strong view that the money of these authorities, derived

through compulsory statutory levies for specific marketing purposes, should not be able to be directed to private organisations which have been established to represent industry interests. Obviously the Government recognises that the authorities must consult with industry in order to perform their marketing functions and it is appropriate that costs incurred by industry bodies in these consultations be met by the authorities.

In order for the authorities to perform effectively their marketing functions on behalf of certain industries, the Government strongly believes that it is in the best interests of those industries for the governing boards of the authorities to be established on a corporate rather than a representational basis. It is also important that the first and foremost commitment of board members is to the achievement of their authority's corporate objectives. As such the system in which members are elected through ballots of particular interest groups is unsuitable since members would be answerable to those groups.

Members of a board need to work together and apply their expertise collectively in directing the authority. It is not appropriate for boards to be used for the representation of particular industry policy interests. Where there is a need for the development of co-ordinated policy views and existing industry arrangements are unsuitable, the Government will consider, in consultation with industry, the need for a statutory policy council. Honourable members will recall that in the case of the meat and livestock industry the Government established the Australian Meat and Live-stock Industry Policy Council in 1984. The Government is also moving to establish policy councils for the pig, wine and brandy, and horticultural industries. As I announced in my April statement, a Rural and Allied Industries Council will be established to consider policy issues across the rural sector.

Given the Government's intention that SMAs be structured on a corporate basis, it is essential that appointees to their boards have professional expertise necessary for directing the functions of the authorities. To obtain the best available people the Government will require that members, other than chairpersons and government members, be selected by statutory selection committees. This approach will ensure that selections are made on the basis of merit according to clearly stated selection criteria. The selection committees will comprise an independent chairperson and nominees of national industry bodies which are representative of levy payers in the industry concerned. This is to ensure that those

who finance the authorities determine who will sit on their boards. Government will not be represented on these committees.

The Government believes that, if the authorities are established on corporate lines and high calibre persons appointed to their boards, then it is appropriate that they be provided with autonomy for performing their functions. The Government will do this by removing the requirement for the SMAs to seek ministerial approval of many specific matters. In addition, they will be exempted from certain administrative controls including existing Public Service Board controls over staffing matters. The Government has also removed the requirement for the authorities to seek the approval of the Department of Local Government and Administrative Services for land and property matters and of the Joint Parliamentary Standing Committee on Public Works for major capital works. The Government considers that the abolition of these controls will lead to improved efficiency. It means that board members and their executives will have to accept responsibility for the decisions they make.

The Government is ensuring that the legislation of the SMAs includes effective arrangements for the authorities to be accountable to the industries they serve and which pay levies either through an annual general meeting or direct reporting arrangements to an appropriate industry body. A requirement of Government policy is that, if an SMA accounts to an industry body rather than an AGM, then it would not be appropriate for the president or executive members of the body to sit on the board. There would be a clear conflict between loyalty to the policies and actions of the board and the need to question the board's performance.

It is often argued that industry representation on boards is an appropriate and sufficient means of accountability. The Government strongly rejects this view. As I have stated previously, board members must accept corporate responsibilities and commitments. In fulfilling such a role they are not well placed also to question and judge their own and their authority's performance. Regarding my relationship to the authorities, I believe that I will be in a better position to oversee their direction and performance if I view their operations at a strategic level, rather than becoming involved in numerous specific day-to-day matters.

The legislation will require that the SMAs adopt modern corporate planning techniques in order to chart the direction and performance of

their organisations. They will have to submit their corporate and annual operational plans for the Minister's agreement. The Minister will consider these plans against the question of whether the future direction of an authority proposed in its corporate plan is in keeping with its essential purpose and charter. His or her agreement to their annual operational plans will be on the basis that they are consistent with their corporate plans.

In general, the only other major power the Minister will possess is a reserve power of direction. The Government's firm intention is that this power should be used only in circumstances where there is an unresolvable deadlock between the authority and the Government concerning major Government policies. Limiting the use of the power to such exceptional circumstances is necessary to safeguard their autonomy. If the power is ever used, it will be open to scrutiny by the Parliament and the public. As authorities, established through Commonwealth legislation, SMAs are also required to account to Parliament through the Minister for their performance. The cornerstone of this accountability is the annual report. With the adoption of corporate planning techniques, the Government will be seeking the adoption of corresponding reporting styles. To be of greater use to Parliament annual reports should record achievements against key objectives and strategies of corporate and annual plans. The SMAs will also be accountable through the audit process. Arrangements are necessary which take into consideration the dual nature of this accountability. On the one hand, it is appropriate that the Auditor-General be responsible for ensuring the authorities meet public sector accountability requirements. On the other hand, since they have been established to perform marketing functions on behalf of certain industries and are financed by those industries, which includes meeting the cost of audit, it is appropriate that the industries have a say in who should audit the commercial operations of the authorities. The Government will therefore provide SMAs with the option of audit by the Auditor-General or by a commercial auditor.

If an authority requests to be audited by a commercial auditor, certain conditions will apply for ensuring its public accountability. In particular, the Minister will be responsible for appointing the auditor, subject to agreement of the Auditor-General that the auditor is suitable and the agreement of the Joint Committee of Public Accounts to the appointment. The Government is also making amendments to the Audit Act to enable the Auditor-General to set auditing

standards. He will have access to the working papers and reports of the commercial auditor and be able to report on these through the Minister to Parliament. In addition, the Auditor-General will retain a discretionary power to audit the accounts of an authority and report on the financial statements through the Minister to Parliament.

The issue of board membership usually generates the most controversy concerning the marketing authorities. Before concluding, I would like to comment on the view that producers must control the boards. While I am sympathetic to the notion of producer control, or at least control by those who pay, which usually means producers, I disagree with the view that the most appropriate form of control is majority representation on boards. Producers themselves do not necessarily have the right expertise to direct the promotion or marketing of their produce. Boards must comprise people who collectively possess the necessary expertise.

Commodity production is obviously one relevant area and for this reason producers will continue to be members of authority boards under the Government's policies. However, it is also necessary that people with expertise in promotion, trade, finance and business management be members of boards. Producer control and influence are achieved more effectively through representation on the selection committees which will select members of the marketing authorities; strong accountability arrangements through which the authorities are answerable to their industries for their performance; and industry involvement in the corporate planning process so that its needs, objectives and priorities are taken into account, and so that it can influence the direction the authorities take.

To conclude, I would like to reiterate some other remarks I made earlier. The Government is committed to achieving a fresh approach to the marketing of rural produce, so that Australia is well geared to handle the international trading environment in the years ahead. I believe that the Government's policies will provide a very strong foundation for achieving this objective. They will ensure that future initiatives are undertaken in a consistent manner against a set of logical, coherent and integrated policies. These policies are necessary to the maintenance of a strong and viable rural sector. I commend them to honourable members.

Mr HUNT (Gwydir)—by leave—In responding to the statement by the Minister for Primary Industry (Mr Kerin) I want to make it clear

that the Opposition has on many occasions agreed with the general thrust of the White Paper on the reform of Commonwealth primary industry statutory marketing authorities which was presented to this House on the 12 February. It is interesting to note, however, that the Minister now feels it necessary to explain to the Parliament the context, the purpose and the details of the Government's marketing policies and the marketing authority reforms. Most of these requirements are the result of many years of discussion and some of the reforms owe their origins to changes that were in the pipeline when this Government took office in 1983, particularly those in relation to the Australian Meat and Livestock Corporation and the Australian Wheat Board.

It is true to say that the statutory marketing authority requirements have been included in legislative changes already debated, discussed and supported by the Opposition in both Houses.

The Opposition parties support a commercially oriented marketing system for primary products but acknowledge the need for the operation of statutory marketing authorities where sought and supported by the producers. Such authorities where sought and supported by the producers. Such authorities must have commercial flexibility and not be tied by the rigid bureaucratic structures and strictures of the various departments—the Public Service Board, the Department of Finance and a whole host of other departments—which have had an historical ambition to get their fingers into the act.

Unlike the mining and manufacturing sectors of industry, which tend to be dominated by relatively few large-scale sellers, farm industries are characterised by tens of thousands of highly productive families. For instance, 93 per cent of our farms are operated by family farmers. Under these circumstances, the role of statutory authorities is crucial. Clearly, it is necessary for statutory marketing authorities to be accountable to the Parliament and to the industries to which they have a responsibility for the sale of produce.

The Opposition supports the view that the Australian Wheat Board, the Wool Corporation, the Australian Meat and Livestock Corporation and other statutory marketing authorities are essential features of Australia's primary industry marketing arrangements. I think it is only realistic that we should have such marketing operations in a world that is not necessarily open to the so-called free market forces. The world is dominated in the agricultural area by collective buying arrangements in places such as Japan,

the Iron Curtain countries and so on. I think it is very important for us to be sure that in the market-place we do not expose our producers to all sorts of capers that go on in that market-place. For instance, I recall the incident of the so-called free auction system for wool. For years and years we had a situation in which pie buying was a feature of the wool marketing system in Australia where groups of buyers joined together and decided that they would buy a great amount of wool and share it among themselves. The wool producers put up with that for years and ultimately almost went to their knees in the 1960s. So reform was necessary and the Wool Corporation was established and its introduction on the scene has certainly given far more stability to the wool industry than it had previously.

Clearly the Opposition supports the view that these bodies need to operate in a manner that is accountable to the Government, to this Parliament and also to the industries concerned. We support the view that their operations should be regularly reviewed and should not be subjected to the day to day involvement of the Minister concerned. We support the view that the people appointed to the boards should have the expertise not only within the industry concerned but also in commerce, marketing promotion, finance and other relevant fields. It is essential to ensure that additional resources are devoted to research into the market demand, the market-place, promotion, marketing, packaging and the presentation of primary products for sale. It is vital that information is fed back to producers to ensure that they are producing products of the highest quality demanded by the domestic and international market-place. Gone are the days when the primary industries of this country can get away with producing products that are not of the highest quality because the world is absolutely stocked full of second rate and low grade produce from all sorts of producing countries. Today every country is becoming increasingly conscious of its need to become self-sufficient in food. Therefore, there is a need to make sure that our products are of the highest quality. For instance, there is a need to continue assistance for the uniform product description and computerised marketing for the meat industry, and a need to maintain underwriting arrangements where appropriate.

Not only is it necessary to have a sound commercially oriented marketing system for primary products but it is vital that we promote those products as an essential part of the marketing activity. The success of the Government and industry co-operation in funding wool pro-

motion is an example of what can be achieved by other industries. Agricultural products remain a major element in our overseas trade and help to shape our prosperity and living standards. Australia must play a leading role in the reform of world agricultural trade. There must be a continuing search for new markets. The relevant bodies will be in the forefront of trying to achieve that. Honourable members on this side of the House recognise that trade in primary industry products is a matter for private enterprise and, where appropriate, the various statutory marketing authorities. The Government's role is to provide a framework in which private enterprise and the statutory marketing authorities may operate effectively and efficiently. In our primary industry discussion paper, gleefully released by my colleague the Minister for Primary Industry (Mr Kerin)—I thank him very much for his very courteous launch of our discussion paper—I made it clear that in conjunction with farm organisations we must vigorously press for new trade rules in the forthcoming round of the General Agreement on Tariffs and Trade.

Mr Braithwaite—Hear, hear! Very important.

Mr HUNT—Absolutely. It is vital, as the honourable member for Dawson (Mr Braithwaite), the shadow Minister for Trade, so clearly endorses. If our statutory marketing authorities are to exploit market openings, we must heighten our efforts to enlist the support of the United States and the Pacific Basin and Third World countries to have agriculture included in the provisions of GATT. There is also a need to maintain a continuing close contact with the European Community to prevent the dumping of its subsidised products into our markets, and indeed, into our market-place right here. We need to ensure that the United States of America honours its undertakings to make sure that there will be no attempt to damage our traditional markets and our industries as a result of the United States Farm Bill. Without such efforts, no amount of reshuffling the responsibilities of marketing authorities at home will bring success on foreign markets.

Specifically, in relation to our closer economic relationships with New Zealand, we have called for a review of the provisions now that the agreement has been operating for more than three years to ensure co-operation and equity in trade in primary products. In conjunction with New Zealand we need to undertake a combined approach in marketing of sheepmeats to third countries to take advantage of the complementary nature of production in the two countries

and to ensure that unfair competition from New Zealand under the CER agreement does not disrupt our horticultural industries. Having endorsed the general thrust of the statement, once again I direct my attention to the attention of the Opposition to the very important aspect of the crisis facing agriculture in Australia and our general balance of payments situation. The Minister, in his statement, says:

Australian farmers have been squeezed in recent times much more by a fall in returns than by the rise in costs.

I do not agree with that. The Minister is trying to make out that the fall in prices for products has hurt much more than the rise in costs. However, I agree with the second point which he made. He said:

Lower costs are vital to improving the competitiveness of our rural industries.

I want to talk about costs, because the Minister raises that subject in his statement. Unless the Government is prepared to really come to grips with this problem of costs imposed by the Government that are bearing very heavily on the agricultural sector, it will be very hard for the Government and Australians in our diplomatic missions to convince the European Economic Community and the United States that they must stop plundering or pirating the world market and that they must change their rules to make it easier for our farmers. It is a tragedy that the Minister has not been able to get this message across to his colleagues in the Cabinet Room. He often mentions the fact that lower costs are vital to improving the competitiveness of our rural industries. In spite of the urging of the Opposition, the National Farmers Federation and other groups in the community, the Government has failed to attack the problem of costs over which it has control. For instance, those are the costs imposed in relation to petrol used by farmers. About 40 per cent of fuel used on farms and in farm businesses is petrol. We have seen the excise on petrol increase from 6.1c a litre to 19.2c a litre since this Government came to office. Sure, after two years it took away the rebate in respect of distillate but, after a scream from the countryside, it restored it. If the Government were really serious about trying to help to ease the cost burden to which the Minister referred in his statement, it would have taken some action prior to this time to reduce that cost on the farm sector.

Of course, the statement that came down on 15 April did go in some directions towards trying to ease the burden of costs on the farm sector with respect to inputs such as farm machinery.

But all it did was to touch tillage equipment; it did not go beyond tillage equipment. We are told that the Government will await the report of the Industries Assistance Commission before it will attack the cost problem of a tariff, or before it will even consider replacing the tariff with bounties on agricultural chemicals and fertilisers that, of course, are very real costs in the highly intensive agriculture industries that are in so much difficulty today. What about export inspection charges in the meat industry, for instance, that have increased by 200 per cent? Why has the Government not moved to remove those in this time of crisis, in ordinary times the industry could afford to meet those costs, but in these times it cannot.

It is not good enough for the Minister to say blandly that farm costs have fallen in real terms when our competitors world-wide have had substantial decreases in interest rates and the passing on of the full benefits of world oil prices to the farm producers. That has happened in the United States, where one can buy distillate for about 20c to 30c a litre. The inflation rate in the United States has been brought down to, in some instances, nine times lower than the inflation rate bearing down on the productive capacity of the Australian farm sector. It is not good enough just to use statistics to say that farm costs have dropped to 6 or 8 per cent and that next year they will be 3 per cent. We have yet to see that. How can they be 3 per cent? The Government has tried to make much of the prediction that farm costs have fallen from 11 per cent under the previous Government to a projected 3 per cent. I am sure that that does not take into account the insidious fringe benefits tax that will cost the average broad acre farmer half of his or her net income this year—exactly half. I do not believe that the Livestock and Grain Producers Association is wrong; I do not believe that its figuring is wrong. The Government has not come up with an estimated cost. It is all very well for it to try to rubbish in the Parliament the advertisement of Mr McLachlan or the National Farmers Federation. It should prove that to be incorrect.

Mr Robert Brown—It has been proven.

Mr HUNT—It has not been proven to be incorrect. The figures are there. The LGPA has produced the figures. It has sent a telex to the Minister and I hope the Minister has sufficient courtesy to respond to it. If the Association is wrong, he should show it where it is wrong. I do not believe that the Government can prove that. Does it take into account the punitive

capital gains tax, prospective though it may be, which is now before the Parliament? Does it take into account the still to be announced alternative remedies for the on again off again quarantining of farm losses? Does the Minister really think that a 3 per cent cost figure can be achieved under these Government imposed burdens? Of course, there will have to be some reduction in costs because overseas costs have fallen so rapidly, especially interest rates and general inflation rates. I remind the House that, on this cost issue that the Minister mentioned, the index of farm prices paid—that is, farm costs—produced by the Bureau of Agricultural Economics for which the Minister is responsible, has leapt from 123 in 1982-83 to 153 in the December quarter of 1985. At a time of falling costs overseas, that is not a record of which to be proud.

The first three years of the Hawke Government have been characterised by its firmly held belief that the farmers of Australia are a privileged class and that they are there for the picking. In its first three years of Budgets and mini-Budgets this Government proceeded to rip off \$442m by abolishing areas of assistance that compensated to some extent for the cost borne by farmers due to secondary industry tariff protection, costing \$9,000 per annum per farm; by imposing taxes on inputs; and by introducing other economic policies which have added to the cost structure of farming. I hope that the honourable member for Charlton (Mr Robert Brown)—who is a very able man; he is the Chairman of the Caucus economic committee—listens because I think he needs to understand just how serious these sorts of actions have been and how hard they have hit the underbelly of the farm sector of Australia. The Government bored into the efficient, little subsidised farm sector in spite of heavy assistance by the European Economic Community and the United States to their farmers—action which was accompanied by crashing world commodity prices. The farmers have consistently said that they do not want subsidies but they do want the Government to relieve them of those burdens it has imposed upon them. It would be hard enough for them, even if left in that state, to compete with farmers in Europe who are getting 160 per cent effective assistance and with farmers in the US who are getting about 100 per cent assistance.

In spite of the fact that the world was flooded with subsidised dairy products, the Minister for Primary Industry attempted to ram through this Parliament last year ill-conceived dairy Bills which would have gutted the export capacity of

our dairying industry—an industry which earns between \$400m and \$500m in foreign exchange every year. In spite of the fact that the Australian sugar industry has been reeling under the crash of world sugar prices for three years, with many growers going to the wall, the Minister failed to deliver the promise of the Prime Minister (Mr Hawke) made immediately after the 1983 and 1984 elections, in which he said that he would deliver a meaningful underwriting scheme. That was way back in 1983 and 1984. For two years the Government has played politics with the Queensland Government because it is a National Party Government. But this game has been at the expense of the livelihoods of the cane growers and the sugar industry in general. While all this has been going on the Government, bound as it is to the Australian Council of Trade Unions by its accord, has indulged in a monetary policy designed to prop up the Australian dollar. This has imposed crippling interest rates on farmers carrying a record debt load which some authorities now estimate to be in the vicinity of \$12,000m.

Mr Nehl—Disgraceful!

Mr Hunt—It is disgraceful, as the honourable gentleman has said. Every time he says that, it really stirs me up. By a range of measures Labor has sought to maintain real wages—by delaying the discounting for the devaluation; by imposing a compulsory productivity superannuation contribution by employers; and by reducing income taxes through increased taxation of employer capital, with the negative gearing provisions, the capital gains and fringe benefits taxes, and the on and off quarantining of farm losses. Yet the Minister comes into this House today and utters a statement here which says that lower costs are vital to improving the competitiveness of our rural industries. Either the Minister is fair dinkum, honest and hopeless, or he is trying to kid us, because he has been saying that for ages. What is wrong with those who sit with him and around him? This country is in a state of economic crisis. The Prime Minister is nearly out of his mind. Look at him in Question Time today. He does not know when to have a summit conference; he does not know what to do. He has a Treasurer (Mr Keating) who is talking about a banana republic. I think the Treasurer is the only honest one among them.

Mr Robert Brown—And me.

Mr HUNT—The honourable member for Charlton is not bad, either. Of course these things are vital but the Minister in a moment of self-aggrandisement claimed in his 15 April

statement that he was to deliver the most comprehensive statement ever delivered in a parliament. It was a mean, miserable document. It was introduced here as a political springboard to try to give the Prime Minister a good image before he went to Washington, London, Brussels and Rome. It has been a political watershed for this Government. Hailed as a \$200m package, it offered about \$108m to farmers, \$35m of which was to be spread over five to 10 years. The Minister for Primary Industry claimed to have abolished Labor's crazy quarantining of farm losses legislation. Yet that ogre in the Senate, the Minister for Finance (Senator Walsh)—heavens above—comes out and says that it has not been abolished, it has only been modified. For three days there has been a dispute as to whether it has been modified or abolished. Nobody knows what has happened to it. You can bet your life that if the Minister for Finance has his way the Government will bring it in here and wrap it around the farmers' necks like filthy seaweed, strangling their ability to survive.

In its place we have an ill-conceived stud stock valuation tax, the details of which are not available. I wish to goodness the Government would make these details available. I get telephone calls every day in my electorate office and my Canberra office—the honourable member for Charlton would, too—from people wanting to know what it all means. They cannot get information. They know the tax is going to cost them \$10m. We have an indication that farm depreciation rates are to be changed or reduced so as to increase the taxes paid by farmers. I ask the Minister for Primary Industry: Will this reduce the costs to the farmers? 'Those costs are vital to their survival', says he. We now have the long-awaited fringe benefits tax, an insidious tax which is another slug on the capital payable on farm employees' non-wage benefits at 46c in the dollar value of the benefit, payable whether or not farmers make a profit or have the money to pay.

We had the spectacle of the Prime Minister on Saturday expressing amazement at Canowindra and asking his Minister for Primary Industry to talk to the Treasurer about the fringe benefits tax's \$152m impact on the farmer family. When the Prime Minister heard the truth, when the people came to him—he is a reasonable man, obviously—and told him of their dilemma, told him that they were earning a quarter or a fifth of average weekly earnings and were up for about \$3,000 to \$4,000 per farm, he could not get over it. When he found that their net income was only of the order of \$3,000 to \$4,000 and

that the tax was to be imposed upon them whether or not they paid taxes, he was moved to say: 'We will have a look at this matter'. I asked the Treasurer in Question Time today what we were going to do about the situation.

Mr Braithwaite—It was a good question.

Mr HUNT—It was a good question, but it was a shocking answer. The Prime Minister went on a treat about it. The legislation is going into the Senate shortly—

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! I do not want to interrupt the honourable member, but the Minister's statement was essentially about rural marketing authorities. The honourable member seems to be getting a little away from that subject. He might relate his remarks to the statement brought down by the Minister.

Mr HUNT—I am devoting myself to his statement that lower costs are vital to improving the competitiveness of our rural industries. I am attempting to support him in that. I am attempting to show reasons why his colleagues should listen to that statement. I am sure that if the Minister were here he would be saying under his breath 'Hear, hear!' I ask how on earth this measure would help to reduce farmers' costs. What an outcome! The most comprehensive rural statement in our history by the Minister offered farmers \$108m. In May the fringe benefits tax legislation was introduced, costing farmers \$150m. Even the honourable member for Charlton frowned when he heard that. The honourable member must be embarrassed by this. I know that he does not depend upon farmers for votes, but he is a fair and reasonable man. It is outrageous. We all waited with bated breath. Now this cost is to be imposed upon farmers.

We have a new dimension. We have a balance of trade crisis. The streamlining of the statutory marketing authorities, which are designed to improve our commercial operations in the marketing field, will be very important. But that is only part of the story. For too long the Government has lived in the luxury of believing that we have a two-level economy—a buoyant economy in the cities, with indexed wages, and a struggling export economy with farmers' incomes continuing to fall. But the stark truth is now beginning to unfold. Australia's standard of living depends on our export earning capacity. Our farms produce nearly 40 per cent of our gross export income. If our farmers are in deep financial trouble it is only a matter of time before we all feel the pinch. A serious recession is on its way. There will be no point in the Minister for Primary

Industry trying to gloss over the farm problems with snippets of good news here and there, such as the changes to the statutory marketing authorities. This Government must shed its blinkers and move to arrest the farm crisis before it is too late for thousands of Australian families who operate farms.

I have attempted to highlight the need for lower farm costs. The Opposition supports the general direction of the Minister's statement so far as the statutory marketing authorities are concerned. There is a need to improve the marketing mechanisms, to research the possibility for new cropping and new genetic material in the livestock area to meet the needs of the market-place. It is absolutely imperative that statutory marketing authorities are equipped with the staff and facilities to enable that sort of work to go on. We have a very tough and difficult time ahead of us. It is essential to promote our products, to search the world as hard as we can for new markets, and to provide the goods the world wants. Having said that, it is more than fundamental to have an agricultural industry that is competitive in what is a very tight market-place.

Mr HAWKER (Wannon)—by leave—I support the words of the Deputy Leader of the National Party of Australia, the honourable member for Gwydir (Mr Hunt), who explained at some length the problems that are faced by the farming community. He also touched on some of the matters that were raised by the Minister for Primary Industry (Mr Kerin) in this statement on statutory marketing authorities. It is very interesting to note that yet again, in as debate on matters relating to agriculture and primary industry, the Minister comes into the chamber, makes a statement, and shoots straight off again. It seems that the only way we can get him in here is to remind him of the promise he made to a meeting in Horsham just prior to the last election, when he said that he would oppose a capital gains tax and—

Mr DEPUTY SPEAKER (Mr Leo McLeay)—If the honourable member wishes to make some comments, he might address himself to the statement brought down by the Minister for Primary Industry on statutory marketing authorities.

Mr HAWKER—I was just getting to the fact that the Minister does not seem to want to hear what anyone else says about his statement. On page 2 of his statement he made an extraordinary assertion, the first part of which everyone would agree with:

Lower costs are vital to improving the competitiveness of our rural industries.

Everyone knows that and everyone agrees with it but, as the honourable member for Gwydir has already pointed out, what is the Minister actually doing about it? It is extraordinary that the Minister mouths such platitudes, yet when it comes to delivering the goods he is found to be wanting. Later in his statement the Minister talks of the involvement of the Minister for Primary Industry and government in statutory marketing authorities. He then slips into a remarkable colloquialism when he says, halfway down page 9:

Regarding my relationship to the authorities, I believe that I will be in a better position to oversight their direction and performance if I view their operations at a strategic level . . .

I find remarkable the conceit and arrogance of a Minister, in a statement that is prepared before he comes into this chamber, to consider that he is the only one who would be able to make such a decision—that he is somehow immortal. He has the incredible idea that he will remain the Minister for Primary Industry indefinitely. I am sure that many of his colleagues would be very interested to hear that. I am sure also that they know full well that, like the rest of us, he is mortal.

The other point that I would like to touch on is that the Minister also referred to the power of the Minister to intervene in statutory marketing authorities. The Minister has insisted that the statutory marketing authorities submit their corporate and annual operation plans for his agreement. On the one hand, he is saying that the Government is going to have less interference with the operation of the statutory marketing authorities and, on the other hand, he is suggesting that they will have to submit an annual operating plan to him for his agreement. It is one thing to submit them to the Minister for his perusal, but it is another thing to go further than that and to say it is for his agreement.

I place the Minister on notice in relation to that and advise him that we will be watching very closely to see just how far he is going to interfere in the annual operating plans of these statutory marketing authorities. On the next page the Minister said:

In general the only other major power the Minister will possess is a reserve power of direction. The Government's firm attention is that this power should only be used in circumstances where there is an unresolvable deadlock between the authority and the Government concerning major government policies.

Already we have seen an occasion when the Minister had decided to intervene in a situation which would not qualify under that criterion—when he wrote to the various heads of the existing statutory marketing authorities and told them that they were not to support the National Farmers Federation's agricultural promotion program. I would have thought that is very much outside these restrictions that he supposedly—

Mr Peter Fisher—Overstepping his power.

Mr HAWKER—As my colleague the honourable member for Mallee has said, he was overstepping his power. I would have thought that if ever there was a case when all farming bodies and all those with an interest in the future of agriculture would have a common interest, it would be in supporting the agricultural promotion program which the NFF is about to launch next month. I again point out to the Minister that what he says here and what his words and actions are, often do not seem to coincide. Again I place him on notice that we will watch how in future he uses this.

I thank the House for this opportunity to make this short statement. Again, I just remind the Minister that he is not immortal and that there will be other Ministers for Primary Industry who, no doubt, will have the responsibility of ensuring that these statutory marketing authorities perform as expected to improve the lot of the farmers, because there is no doubt that the farmers certainly need it. I certainly hope that this statutory marketing authority statement is that forerunner of some further improvements in some of the existing statutory marketing authorities so that they will improve the marketing and promotion of agricultural produce both in Australia and overseas.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate Ministers:

Pensions

To the Honourable, the Speaker and the Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens respectfully sheweth that your petitioners are gravely concerned at the failure of the government to honour its election promises to pensioners.

In particular those promises relate to the following commitments:

1. That within three years of its election to office, a Hawke Labor Government would raise the level of the standard pension to 25% of Average Weekly Earnings;

2. That the lag time between the announcement of the Consumer Price Index figures and the subsequent adjustment of pensions would be reduced to one month, and
3. That the disproportionate tax burden borne by low income earners would be lifted.

None of these promises has been honoured to date.

Your petitioners are extremely angry at the failure of the Government to live up to its commitments and as in duty bound will every pray that these serious omissions will be given the attention they deserve.

by **Mr Dobie, Dr Harry Edwards, Mr Nehl and Mr Simmons.**

Petitions received.

Changes to Veterans' Entitlements

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned citizens of Australia respectfully sheweth that persistent rumour suggest that the Hawke Government intends to reduce Government expenditure by contracting or eliminating programs for war veterans and war widows.

Your Petitioners humbly pray that the Hawke Government honour its commitment and that of previous Governments to ex-servicemen and women by:

Ensure no additional cut-backs will be made to the portfolio of Veterans' Affairs.

Review the previous cut-backs in such areas as the travel allowances, dental scheme and repatriation pharmaceutical benefits scheme.

Proceed with abolishing more stringent conditions applying to the granting of the TPI pension.

by **Mr Blunt, Mr Halverson and Mr Hunt.**

Petitions received.

Changes to Veterans' Entitlements

To the Honourable the Speaker and Members of the House of Representatives in Parliament Assembled. The humble petition of the undersigned citizens of Richmond electorate respectfully showeth that:

Persistent rumour suggests that the Hawke Government intends to reduce Government expenditure by contracting or eliminating programs for war veterans and war widows.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Honour its commitment and that of previous Governments to ex-serviceman and women by:

Ensuring no additional cut-backs will be made to the portfolio of Veteran's Affairs.

Reviewing the previous cut-backs in such areas as the travel allowances, dental scheme and repatriation pharmaceutical benefits scheme.

Process with abolishing more stringent conditions applying to the granting of the TPI pension.

And your petitioners as in duty bound will ever pray.

by **Mr Blunt.**

Petition received.

Family Allowances

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned shows:

Graduated family allowances are of important assistance to families with more than one child.

All family allowances, whether for one, two, three or more children, have not kept pace with inflation.

There are suggestions that all family allowances should be paid at the one flat rate. This would severely disadvantage families with more than one child.

There are also suggestions that the dependent spouse rebate be reduced or removed. This would represent another blow to the family unit.

Your petitioners therefore pray that the House of Representatives, in Parliament assembled, should:

Ask the Federal Government to increase the value of existing family allowance payments, and

Reject any moves to change the payments to a flat rate or to tamper with the spouse rebate.

And your petitioners as in duty bound will ever pray.

by **Mr Blunt and Mr Howe.**

Petitions received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Australia sheweth that whereas:

1. They are completely satisfied with the design of the existing Australian National Flag.

2. They are aware it properly reflects the immutable characteristics of Australia namely:

(a) The Union Jack, itself the creation of three Christian Crosses, represents the nation's historical origin and the source of its language and law;

(b) The Southern Cross on an azure blue background signifying its geographical location on this planet Earth;

(c) The large star depicting the advent of Federation in 1901.

3. They know the Flag has been a source of inspiration to generations of Australians in peace and war.

4. They recall that millions of native-born Australians and newcomers to these shores from other parts of the world have become united under its proud symbolism.

5. They are certain that any change to the Flag will produce divisions in the Australian community.

Your petitioners therefore pray that your honourable House will: Propose and pass a motion that "the existing Australian National Flag be changed only with the approval of the Nation as expressed in a Referendum."

And your petitioners as in duty bound will ever pray.

by **Dr Harry Edwards and Mr McArthur.**

Petitions received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens of Australia draws to the attention of the House of Representatives their concern at any change to the Australian Flag without first holding a Referendum to assess the opinion of the citizens of Australia.

Your petitioners therefore pray that no changes be made to the Australian Flag without reference to the citizens of Australia in the form of a Referendum.

by **Dr Harry Edwards.**

Petition received.

National Flag

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully showeth:

1. That the overwhelming majority of Australians are completely satisfied with the existing Australian National Flag.

2. That we are totally opposed to any change in the Australian National Flag as provided in Section (3) of the Flags Act, unless such proposed change is first voted on by the people of Australia and passed by a majority of voters in a majority of States.

And your petitioners, as in duty bound, will ever pray.

by **Mr Fife.**

Petition received.

Prescription Drugs to Pensioners

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Australia respectfully showeth:

(1) That we the undersigned are totally opposed to the introduction of a \$2.00 fee on prescription drugs for pensioners;

(2) That the impact of such a fee will be particularly felt by the chronically ill elderly who will be faced with a \$2.00 burden with the purchase of each Pharmaceutical Benefit Scheme drug;

Your petitioners therefore urge the House of Representatives and the Government of the Commonwealth to ensure that prescription drugs continue to be provided to the pensioner population without the \$2.00 fee on each prescription.

And your petitioners, as in duty bound, will ever pray.

by **Mr Halverson and Dr Watson.**

Petitions received.

Taxation

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

The petition of the undersigned citizens of Australia respectfully showeth the legislation to tax fringe benefits is iniquitous, inequitable and unfair.

Your petitioners humbly pray that you do not proceed with the legislation.

by **Mr Beale.**

Petition received.

Superannuation

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament. The petition of the undersigned citizens of Australia showeth:

That many Australian wage and salary earners and self-employed persons do not enjoy secure retirement incomes provided by superannuation; and

That the Government issued in December 1985 guidelines for the implementation of the proposed productivity decision by the Conciliation and Arbitration Commission and draft operational standards for superannuation schemes.

Your petitioners therefore humbly pray that the Government:

1. Guarantees to every employee the right and freedom to select the superannuation scheme of his/her choice.

2. Protects the individual exercising that freedom of choice from any coercion, influence or other pressure which may be applied by any employer, association or trade union.

3. Will recognise only those schemes which provide genuine superannuation and reject those schemes which do not provide for—

preservation of benefits to retirement,

vesting of employer contributions on a reasonable sliding scale,

equal employer and employee trusteeship control to ensure security of investments.

And your petitioners, as in duty bound, will ever pray.

by **Mr Burr.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives. The petition of the undersigned respectfully showeth that the Bill of Rights is not supported by the people of Australia, and calls on the Government to:

Delay proclamation of the Bill until all matters of contention are settled by national referenda, and that:

(1) Matters of States rights, property rights, rights of the newborn, the right not to belong to unions, among other issues, have not been submitted to the people of Australia to decide, and that;

(2) No Australian Bill of Rights should depend on any foreign convention for its basis in Australian law.

And your petitioners, as in duty bound, will ever pray.

by **Mr Cadman.**

Petition received.

Australian Bill of Rights and Human Rights and Equal Opportunity Commission Bills

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled.

The petition of the undersigned showeth that there is widespread public concern about the provisions of the Bill of Rights, and especially the dangerous powers to be vested in the Human Rights and Equal Opportunities Commission, and the failure to protect vital rights such as the right to own property.

Your petitioners therefore humbly pray:

- (i) that the Hawke Labor Government not proceed with the Bills enacting the Bill of Rights and Human Rights and Equal Opportunity Commission, and
- (ii) that we the people be given the opportunity to express our opinion on the Bill of Rights in a referendum.

And your petitioners, as in duty bound, will ever pray.

by **Mr Donald Cameron.**

Petition received.

Fuel Prices

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully showeth:

That the Hawke Labor Government should:

- pass on the full benefit of lower international oil prices on 1 March 1986;
- not increase or extend fuel taxes; and
- maintain its tax cut commitments.

Your petitioners humbly pray that the Hawke Government honour its commitment to the import parity pricing policy.

And your petitioners as in duty bound will ever pray.

by **Mr Fife.**

Petition received.

Radioactive Substances

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully showeth. We most strongly oppose the process of Food Irradiation by radioactive Cobalt 60 or any other radioactive substance.

We oppose the introduction of regulations that will facilitate the food irradiation process by State Governments. We express our deep concern at this attempt to extend the use of radioactive substances and exposure of workers to radiation.

We call on the Government to immediately ban the importation of radioactive Cobalt 60 or other radioactive substances and to immediately disallow the regulations that permit the irradiation of food here in Australia.

by **Mr Kent.**

Petition received.

Identity Cards

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The Petition of the undersigned shows:

That the proposed introduction of compulsory identification (ID) cards should be reconsidered and rejected because the system:

- (a) is not a cost-effective method of reducing tax evasion and social security fraud and, to the contrary, in the form proposed will facilitate such evasion and fraud;
- (b) will constitute an unwarranted infringement of individual privacy by the aggregation of a wide variety of personal information of a private nature;
- (c) will cause a further large and costly growth in the bureaucracy and burden on the taxpayer; and
- (d) cannot be guaranteed against misuse for purposes other than for which their introduction is stated to be intended and in fact provide the opportunity for blackmail and other forms of misuse.

And your petitioners humbly pray that the problems which identification cards are intended to reduce should be attacked by other, more effective and less obnoxious methods.

And your petitioners, as in duty bound, will ever pray.

by **Mr Kent.**

Petition received.

Nuclear Free Zones

To the honourable the Speaker and the Members of the House of Representatives in Parliament assembled. The humble petition of citizens of Australia shows—

That the people of New Zealand and the New Zealand Government have given an example to the world in their efforts to achieve a nuclear free South Pacific, and such decision being endorsed by the people at a general election.

Your petitioners therefore pray that the Australian Government support the principled stand taken by the New Zealand Government and urges it to condemn any efforts by the U.S. Government to impose economic or other sanctions on New Zealand in retaliation for their stand on nuclear vessels.

We further urge the Australian Government to urgently implement its policy to promote the development of zones of peace and nuclear free zones in the Indian and Pacific Oceans.

by **Mr Kent.**

Petition received.

International Year For Repairing the Earth

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of concerned Australian citizens respectfully points out:

That, for our survival, an effective Worldpeace Initiative needs to be established to work towards mutual understanding, world disarmament, economic well-being for all and full employment. This Initiative will help to ensure a sustainable society conserving natural resources, and revitalising soils essential for growing a plentiful and healthy food supply and tree cover for the needs of present and future generations. By working for these objectives, Australia can set an example for the rest of the world.

Your petitioners therefore humbly pray that your Honourable House will:

1. Propose to the United Nations General Assembly that 1989 be declared International Year for Repairing the Earth.

2. Implement action programs leading up to 1989 which will include:

- (a) Actively supporting the International Year of Peace in 1986 by reallocating at least 10% of our military expenditure to fund environmental repair programs.
- (b) Implementing national recycling programs to reuse water, and to compost into hygienic humus all presently wasted organic garbage and sewage-sludge mixed with fine ground powder from mineral-rich gravels and rocks, to use as a natural fertiliser in revitalising impoverished soils;
- (c) Developing national employment programs giving priority to the planting and growing of healthy forests, food-producing trees and other crops and vegetation including environmentally sound use and reuse of water to assist the greening of Australia.

And your petitioners as in duty bound will ever pray.

by **Mr MacKellar.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled: The humble Petition of certain electors of Australia respectfully sheweth:

That the Bill of Rights Bill, the Human Rights and Equal Opportunity Commission Bill, the Human Rights and Equal Opportunity Commission Amendment Bill and the Human Rights and Equal Opportunity Commission (Transitional Provisions and Consequential Amendments) Bill, if passed by the Parliament, will undermine human and civil rights in Australia; will attack the institution of the family in our country, and will destroy States Rights and the federal nature of our Commonwealth.

Your Petitioners humbly pray that: The Parliament rejects these Bills; abolishes the Human Rights and Equal Opportunity Commission and moves to withdraw ratification of the International Covenant on Civil and Political Rights.

And your Petitioners, as in duty bound, will ever pray.

by **Mr Nehl.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled: The humble Petition of certain electors of the Division of Gwydir respectfully sheweth:

That the Bill of Rights Bill, the Human Rights and Equal Opportunity Commission Bill, the Human Rights and Equal Opportunity Commission Amendment Bill and the Human Rights and Equal Opportunity Commission (Transitional Provisions and Consequential Amendments) Bill, if passed by the Parliament, will undermine human and civil rights in Australia; will attack the institution of the family in our country, and will destroy States Rights and the federal nature of our Commonwealth.

Your Petitioners humbly pray that: The Parliament rejects these Bills; abolishes the Human Rights and Equal Opportunity Commission and moves to withdraw ratification of the International Covenant on Civil and Political Rights.

And your Petitioners, as in duty bound, will ever pray.

by **Mr Hunt.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled: The humble Petition of certain electors of the Division of Cowper respectfully sheweth:

That the Bill of Rights Bill, the Human Rights and Equal Opportunity Commission Bill, the Human Rights and Equal Opportunity Commission Amendment Bill and the Human Rights and Equal Opportunity Commission (Transitional Provisions and Consequential Amendments) Bill, if passed by the Parliament, will undermine human and civil rights in Australia; will attack the institution of the family in our country, and will destroy States Rights and the federal nature of our Commonwealth.

Your Petitioners humbly pray that: The Parliament rejects these Bills; abolishes the Human Rights and Equal Opportunity Commission and moves to withdraw ratification of the International Covenant on Civil and Political Rights.

And your Petitioners, as in duty bound, will ever pray.

by **Mr Nehl.**

Petition received.

Proposed Additional Nuclear Reactor at Lucas Heights, New South Wales

To the Honourable the Speaker and the Members of the House of Representatives of the Commonwealth in Parliament assembled. The humble Petition of the undersigned citizens of Australia respectfully showeth:

That they oppose the construction of any additional nuclear reactor at the Australian Atomic Energy Establishment at Lucas Heights in N.S.W., or any site within Australia.

Your petitioners therefore pray that the Government of Australia will not construct an additional nuclear reactor at Lucas Heights or within Australia.

And your petitioners as in duty bound will ever pray.
by **Mr Tickner**.

Petition received.

National Flag

To the Honourable the Speaker and the Honourable Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Australia sheweth that whereas:

1. They are completely satisfied with the design of the existing Australian National Flag.

2. They are aware it properly reflects immutable characteristics of Australia, namely:

- (a) The Union Jack, itself the creation of three Christian Crosses, represents the Nation's historical origin and the source of its language and law;
- (b) The Southern Cross on an azure blue background signifying its geographical location on this planet Earth;
- (c) The large star depicting the advent of Federation in 1901.

3. They know the Flag has been a source of inspiration to generations of Australians in peace and war.

4. They recall that millions of native-born Australians and newcomers to these shores from other parts of the world have become united under its proud symbolism.

5. They are certain that any change to the Flag will produce division in the Australian community.

Your petitioners therefore pray that your honourable House will: Give a speedy passage to the Flags Act Amendment Bill which provides that the Australian National Flag can only be changed by a Referendum.

And your petitioners as in duty bound will ever pray.

by **Mr Shipton**.

Petition received.

Discrimination against Women

To the Honourable the Speaker and Members of the House of Representatives assembled: The Petition of the undersigned citizens of Australia respectfully sheweth:

That whereas the Commonwealth of Australia ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women in 1983, the Government of Victoria in passing the Planning (Brothels) Act 1984 is in breach of Article 6 of the Convention which says that "States Parties shall take all appropriate measures, including legislation, to suppress all forms of traffic in women and exploitation of prostitution of women".

That the Victorian Planning (Brothels) Act 1984 provides legal authority to brothel operators to traffic in and exploit the prostitution of women and to live off the earnings of prostitutes.

That whereas the Federal Minister for Health has counselled citizens to shun promiscuity (The Australian 26/1/85) because of the serious and sometimes fatal health hazards, the operations of legalised brothels en-

clurages promiscuity and the spread of diseases, including AIDS.

Your petitioners therefore pray: That the Government of Australia having ratified the UN Convention on Women remain consistent in its obligations to uphold the Articles of the Convention and request the Victorian Government to immediately repeal the Planning (Brothels) Act 1984.

And your petitioners, as in duty bound, will ever pray.

by **Mr Shipton**.

Petition received.

Proposed Western Sydney State University

To the Right Honourable the Speaker and Members of the House of Representatives of the Commonwealth in Parliament assembled. The humble petition of the undersigned citizens of New South Wales respectfully sheweth:

That they strongly support the establishment of the Western Sydney State University as recommended in the Parry Report and call upon the House to establish the Western Sydney State University in conjunction with the New South Wales Government.

And your petitioners as in duty bound will ever pray.

by **Mr Grace and Mr Price**.

Petition received.

Proposed Western Sydney State University

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament: The petition of certain residents of the State of New South Wales draws to the attention of the House the Report of the Ministerial Committee to Review the Structure of Higher Education in Western Sydney which recommends the establishment in 1987 of a Western Sydney State University along lines detailed in that report.

Your petitioners therefore request that the Commonwealth Government acts promptly to rectify the serious deficiencies in Higher Education in the Western Sydney Region by taking all actions necessary to enable the New South Wales Government to establish the University.

by **Mr Free**.

Petitions received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled: The petition of certain electors of Dawson shows that the proposed Bill of Rights

Overlooks basic rights concerning union membership, education and private property,

Is a basis for massive intrusion into State responsibilities,

Establishes a Human Rights and Equal Opportunity Commission with powers similar to a Court but without accepted legal procedures and protections for the accused, and

Provides no avenue of appeal against decisions of the HR & EOC.

the petition further shows that fundamental protection of human rights is already to be found in the Courts, in tolerance, in fair play, belief in democratic institutions, and in support for rule of law.

Your petitioners humbly pray that the Parliament will not allow the Australian Bill of Rights Bill to pass into law.

by **Mr Braithwaite.**

Petition received.

Taxation: Capital Gains

To the Honourable Speaker and Members of the House of Representatives in Parliament assembled. The petition of certain citizens of Mallee respectfully showeth:

That all legitimate business expenses incurred in earning or producing assessable income should be allowable deductions.

That the proposed Capital Gains Tax is an unwarranted burden on the rural sector, which will severely affect its long term viability.

That the delay by the Government in introducing the legislation into Parliament is causing confusion and hindering farmers in the organisation of their affairs.

Your petitioners humbly pray that the Government introduces the Capital Gains Tax legislation without delay and that the Australian Democrats join with the Opposition to defeat the proposed legislation.

by **Mr Peter Fisher.**

Petition received.

Superannuation

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Cowper Electorate respectfully showeth that:

The Hawke Labor government's productivity-superannuation accord with the ACTU and its support of the superannuation claims of the trade union movement will create an imbalance in industrial power and distort the future development of the Australian economy.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to: Reject the superannuation claim of the trade union movement, and allow superannuation to develop without trade union domination.

And your petitioners as in duty bound will ever pray.

by **Mr Nehl.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. The humble petition of the undersigned citizens of Page electorate respectfully showeth that:

The Hawke Government's Bill of Rights seeks to make changes in the constitutional balance in Australia by intruding into the affairs of individuals and of State and Local Governments.

Your petitioners humbly pray that the House of Representatives, in Parliament assembled, urge the Government to:

Repeal the Bills of Rights legislation and not restrict the individual freedoms of Australians and its present justice system, not in any underhand way centralise power in our three tier system of Government.

And your petitioners, as in duty bound, will ever pray.

by **Mr Ian Robinson.**

Petition received.

Australian Bill of Rights Bill

To the Honourable the Speaker and Members of the House of Representatives in Parliament assembled. This petition of the undersigned shows:

That certain residents of Alice Springs wish to draw to the attention of the House the unnecessary intrusion into peoples lives by various provisions of the Bill of Rights Legislation.

Your petitioners humbly pray that the Hawke Government withdraw the Bill of Rights.

And your petitioners, as in duty bound, will ever pray.

by **Mr Spender.**

Petition received.

National Flag

The humble petition of certain citizens of Queensland, Australia, respectfully showeth that we are totally opposed to any change in the Australian National Flag as declared in the Flags Act (1953).

Your petitioners humbly pray that Parliament in its wisdom will take no action to change the Australian National Flag.

And your petitioners, as in duty bound, will ever pray.

by **Dr Watson.**

Petition received.

ECONOMIC CRISIS

Discussion of Matter of Public Importance

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Madam Speaker has received a letter from the Leader of the National Party of Australia (Mr Sinclair) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The growing division and disarray in the Government's response to the national economic crisis.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the Standing Orders having risen in their places—

Mr SINCLAIR (New England—Leader of the National Party of Australia) (3.47)—This week

is the last scheduled sitting week of the House of Representatives. It is meeting not because the Government is coming along to this place to explain, as it should, the circumstances of the Australian economy. We are not meeting because legislation is before us that could not have been raised at the proper and convenient time. We are meeting only because the Government wants to pursue an economic course that relates to a tax package that is part of the genesis of the concern that we have on this side of the House and that every decent thinking Australian has about the directions of the Australian economy.

This House is meeting this week in a climate in which we know that the Treasurer (Mr Keating) has already made statements that most would regard as totally unacceptable if they were made about a colleague or a friend, but when made by the Treasurer of the nation about the so-called minders of the Prime Minister (Mr Hawke), we dismiss all the rhetoric about it being about the minders and recognise it for what it is. This House meets this week in a climate in which the Treasurer and the Prime Minister have finally come to grips with each other and recognise they have no confidence, one in the other or the other in the one.

If there were any doubt about that, Question Time today laid down the parameters for that when we had the explanation given by the Treasurer for that incredible statement by the Prime Minister at the meeting of farmers at Canowindra, that he did not know what was in the fringe benefits tax, and, oh, how sorry he was that a few out there in the community were going to be caught; that the little farmer, the small businessman, the small taxpayer and the wage earner—the people with whom the Australian Labor Party pretends to be associated—were really going to be hit; how sorry he felt, and how he was going to change the whole of the direction of the legislation. But in the House today we learnt from the Treasurer that really the Prime Minister was not saying that at all; that he was expressing sympathy and concern and that there was not going to be any change. So the Parliament is still going to get up at the end of this week and, of course, the fringe benefits tax is still going to go through.

The reality of the climate economically in Australia today has perhaps again been best illustrated by that incredible condemnation by the Treasurer of Ian McLachlan, the President of the National Farmers Federation, in answer to a question today. He said that the President

of the National Farmers Federation seeks to frighten people; that, by virtue of that advertisement he spoke about, Ian McLachlan seeks to give farmers an undue worry about the implications of this new tax package. Has the Treasurer (Mr Keating) forgotten already his banana republic statement? Has he forgotten the results of that statement? The statement, made by the Treasurer of a Commonwealth country, while we might agree with its contents, had implications which led to an immediate devaluation of the Australian dollar against the US dollar by about 3c to 4c. It led to an immediate increase in interest rates and to money markets around Australia taking panic. Above all, do people realise where he made that statement?

Yet the Treasurer has the hide to say that Ian McLachlan, President of the National Farmers Federation, properly expressing concern about the implications of the Government's fringe benefits tax on his members, was in some way irresponsible. Indeed, if there has been any irresponsibility it has been in the way in which the Prime Minister (Mr Hawke), the Treasurer and other Minister have been operating in the course of the economic run-down in this country ever since the Budget was introduced last August. We need to remember that the whole of the genesis of the present crisis was a statement about the balance of payments. We must remember that the statement made on 13 May was not the first expression of concern about a deteriorating balance of payments and terms of trade. Whatever the Treasurer might say about there being a difference between the overseas economy and the domestic economy, the reality is that those very figures and the terms of trade figures that came out shortly after in the national accounts illustrated that, in fact, the overseas economy had assisted the domestic economy in the course of that period.

Whatever the Treasurer might say about being unaware of the degree to which that overseas trade situation had affected Australia, and however he might say the reality of the serious deterioration in the domestic economy was suddenly being forced on us, the reality is that the Government knew all about it long ago. We all remember that in Budget Paper No. 1 there was a very clear analysis of the implications of a deteriorating balance of payments in the course of this financial year. Not only that, there was also recognition of the problem of falling oil prices and a recognition that the general circumstances of unemployment throughout this year would be difficult. Was the Treasurer worried about it? Not at all. Suddenly, in the course of

recognition of the implications of the balance of payments figures for April, showing the trade deficit of \$1.5m, everything turned about face.

The reality is that this week, rather than 13 May, is the time of reckoning for the Labor Government. To this point of time an opportunity has been provided. The Treasurer could have properly come into this place and said: 'The figures on which we based the financial details for this financial year are now not correct. What we think we want to do is introduce a mini-Budget. We are going to cut our Budget spending here, we are going to cut our Budget spending there, and we are going to ensure that those personal income tax cuts that are so essential to generate business in the community will proceed. We are going to ensure that we take measures to get interest rates down and we will make sure that, above all, in the national wage case before the Australian Conciliation and Arbitration Commission we will present an accurate assessment of the Australian economy'.

Have any of those things happened? Of course they have not. Exactly the reverse has happened. The Treasurer and the Prime Minister have been fighting between one another about who is going to control the economy. We know what happened while the Prime Minister was in China. We know that the Treasurer tried to be honest about the state of the economy and we know that the Prime Minister tried to pull him back from the brink. Indeed, we know that not only did he try to reverse the whole concept of having a summit—and we have had the on again off again, on again off again summit ever since then—but also the Deputy Prime Minister (Mr Lionel Bowen) was put in charge of the arrangements for that summit, which is not to be, and we know that the whole sorry story changed again today.

I think the real problem behind it all is far more fundamental than just the arrangements between two of the leaders of the Government. I want to bring out today two other elements. I think they are the most essential elements and I hope the people of Australia will recognise them as such. The first is that any government leader who was formerly a senior leader of the trade union movement can never forget his antecedents. The present Prime Minister, whatever attributes he might have, whatever qualities he might have in public relations, is trying to woo and win friends, and however he might get on with the media, above all, he remains true to his own. Above all, he remains a trade union factotum. He remains somebody out there who, what-

ever else happens, is going to make sure that the trade union influence on government policy is paramount. I well understand the degree to which he feels loyalty, and we have seen cronyism in a number of instances. In mean, there is no need to refer in this place to people such as David Combe, and there is no need to talk about all those others who have benefited from the machinations of those who give support to the Prime Minister. The reality is that the Australian Council of Trade Unions and the trade union base are important in the running of Australia and to the directions of this Government's policy.

If one looks at the present economic crisis, it really emerges—again, relating back to that trade union domination—that all those problems began at the time of the MX missile crisis. Do honourable members remember that? That was when the Prime Minister was journeying yet again overseas, this time over there in Brussels. Again, Tiberius was on the telephone; the Prime Minister had a call this time from his parliamentary minders. There was the senator and those who advise him on the power base within the Caucus. What did they do? They said: 'Hey Bob, if you go over to the US and you tell them that you can proceed with those arrangements about facilitating MX missile testing, you will lose your numbers back home'. The Prime Minister then changed his tune on the matter of MX missiles, as a result of which suddenly the world economy started having another look at the Australian economy. The world's financial institutions realised that the strength that was supposedly here in the Australian economy was really very, very fragile. Suddenly the dollar was devalued. From that time on the difficulties of this Government have been more and more related to the fact that the Prime Minister would far prefer to stand by the numbers than by principle. He is not prepared to back principle; he is prepared to back only those who are going to back him. The circumstances of this debate today are again to assert that unless the Prime Minister is prepared to foresake the numbers and to do what is good for Australia it is Australia that will suffer and the Prime Minister who will lose his job.

The second and more essential of the present problems that I see—we have seen all the arguments between the Ministers, and I think it is very important that we recognise them—is that within the Labor Party at the moment there is a Prime Minister whose leadership itself is in question. In saying that I do not mean that someone in the Labor Party is going to toss him. However, I commend to every thinking Austra-

lian's reading the articles that have been contributed by Paul Kelly—not a man without his connections; a man who indeed on a number of occasions might be said to have enjoyed some confidence with the man who for the moment is the Prime Minister. I ask all Australians to read and address the analysis that he gave in the *Australian* of Monday, 19 May, about the man who for the time being is Prime Minister. One must remember that, first, the Prime Minister has that trade union antecedence; secondly, he has a personality that without any doubt has contributed to the present ratings that he enjoys in the polls; but, thirdly, and more fundamentally, he has feet which so demonstrably are made of material that crumbles when first you pressure them. I think we need to understand what Paul Kelly said about him. He stated:

Mr Hawke has claims to be our best equipped leader for decades—but he is paralysed by inertia at the big decisions. Bob Hawke is a fast thinker, an excellent salesman, an astute judge, intellectually and physically sharp, relaxed and confident in office. But he cannot lead . . . Indecision, lack of fire in the belly—call it what you like—but that's the Hawke problem.

I do not doubt that the Treasurer, who is in the House today, is genuinely concerned about the present drift in Australia's balance of payments. I do not doubt that the Treasurer, in his heart, believes that the Government does need to cut expenditure. I do not doubt that the Treasurer believes that there ought to be sound and proper Government decisions made to encourage investment decisions—the lack of which the Prime Minister is trying to blame for our economic failures. What is happening is that the Treasurer is failing, whether it is the Manchu court of the minders of the Prime Minister, whether it is all those other Ministers who are belittling the Treasurer's assessment of the J-curve, or whether it is the Treasurer's inability to get his game together. What is happening now is that, because the Prime Minister is unable to lead, the Treasurer is unable to give direction. That is really what has been happening during this last couple of weeks of Parliament. Last week we saw the Treasurer come into the House and deny his own. The banana republic statement was put to the side. The suggestion of a great economic summit, the most significant consideration since the National Economic Summit, was put to one side.

Instead, what we have had is the Treasurer prevaricating. He is running down this burrow and that; he does not know where he is going. There is no certainty in economic direction. We are in a crisis of confidence. We are in a situa-

tion where the Australian Conciliation and Arbitration Commission is now apparently to go through its deliberations on the national wage case without a proper submission on the details of the reassessment of the impact of the world economy on the domestic economy. We are now going into a national crisis where the Government does not know what economic advice to give the Commission and, above all, we are going into the next few weeks in the preparation for the 1986-87 Budget in a situation where capital gains tax and fringe benefits tax are to proceed. No matter what the Prime Minister might have said at Canowindra, we learned today that that was all hot air and wind, all to placate the masses, as there is to be no change to the fringe benefits tax. We know that the negative gearing tax is to proceed. We know that expenditure cuts are all fiction. We will not read about them, except on the front page of a leaked document from the Treasurer because the spending Ministers said they were not to be taken to the cleaners. The reality is that there will be no expenditure cuts until after the national conference of the Australian Labor Party. What sort of situation is that for the investing Australian?

It will be remembered that, when the Treasurer spoke in Question Time today, he said that the one thing that the taxpayers of Australia want is confidence. They want to know where the Government is going; they want certainty. The Treasurer admitted that the tax indecision had caused problems for the investment community. But the reality is that the Government is in a position of its own making. The problems today are essentially the problems of the Treasurer himself, the lack of leadership of the Prime Minister, the indecision by the Treasurer, and the failure to address the spending problems and the tax problems. Until they are corrected, the Australian economy will not be corrected.

At the moment the Government is running around like a headless chook. It lacks leadership where it is most needed at the top. It has the cohesion of a blancmange, the discipline of a Mongol horde and a decision-making ability that makes even the Australian Democrats look positively Napoleonic. It is about time the Government got its act together and the Treasurer did something about coming to this House and explaining to us what his economic policy is. Let us cut government spending; let us scrap the nonsensical fringe benefit provisions and capital gains tax; and let us get on with running Australia.

Mr KEATING (Blaxland—Treasurer) (4.03)—I found the speech of the right honourable member for New England (Mr Sinclair) rather entertaining. I am not averse to a bit of entertainment. I normally have the honourable member for Bennelong, the Leader of the Opposition, (Mr Howard) and the honourable member for Mackellar (Mr Carlton) giving me the same old speeches. They could almost run a tape of that speech here each day. I found the right honourable member's speech quite entertaining. It was reminiscent of the old John McEwen days when I first came here. The right honourable member for New England was trained at John McEwen's knee and he knows all the tricks of the trade—'where you see a head kick it; never give a sucker an even break; never nurse a mug, they'll die in your arms'. He knows all those things; they have been bred into him by Jack McEwen.

I liked old Jack. I thought he had a lot going for him, but what he did not realise, as the National Party has never realised, in that what he tried to do—and he did try to do decent things for Australia—in hindsight he did the wrong thing. The wrong thing was trying to protect Australian manufacturing industry with a level of tariff protection which failed to expose it to competitive pressure. The failure of that competitive change caused more manufacturers to come to Canberra looking for protection. The result was that finally when imports became so competitive and so cheap they wiped out what then became inefficient industries. That is the lesson we should all be learning. I do not disparage everything the National Party has ever stood for. I do not agree with the broad brush of its position, but the fact is that with the best of endeavour in the world that was on. By the same token, Jack McEwen opened up trade with China and Japan. These were all laudable. Trade has always been high on the National or Country Party agenda. But, in a sense, that Party was dealing with two mutually difficult things. It was trying to run an efficient primary export sector in the context of an inefficient, protected manufacturing sector. We found that over the years that sort of dichotomy in policy brought us unstuck. We have not been able to maintain any efficiency in our competitive import-competing sector.

Now we are on bad times internationally. And we are. I do not think we should disguise the fact that these are the worst international times Australia has had. I referred to the claim by the Leader of the Opposition in the election campaign before last about how the world had left

us behind. The truth is that then the world was sticking to us like glue compared with now. The fact is that with a terms of trade decline of this dimension, to be able to run the economy we have been running, with growth in the area of 4 to 5 per cent and strong employment growth, is a marvellous outcome in the circumstances. Indeed, this would probably be the only country of its kind which is running policies which still have gains against unemployment, declines in inflation and reductions in the public sector borrowing requirement while at the same time being dumped on by the rest of the world. The House should take some interest in that and, leaving all the dogma behind, employing Australians and seeing people in jobs are important. It is important that we find a way through this international difficulty Australia faces.

This is something that is coming with the ebb and flow of world prices and the poisoning of commodity markets, whether by the European Community or whoever else. The view we have all had that the world wants to buy our wheat and is tripping over itself to do so is now wrong; that the world wants to buy our wool and will offer us any price is wrong; that the world wants to buy our minerals and that we only have to find more is wrong. The world does, but it wants to do so at much diminished prices. That means Australia's national income has been cut and the burden of that cut is falling on some sectors of the economy and some that the National Party claims to represent and the Government is trying to see that some of that burden falls on other people as well. That is where it has to be.

There is not much point in the right honourable member for New England railing about the former leadership of the Australian Council of Trade Unions by the Prime Minister (Mr Hawke), or the MX missile crisis, or anything else. I cannot think of a time, in my parliamentary life, when an Australian national government has dealt with an international problem of this dimension; it is just huge. I gave the figures at Question Time. If we had the same terms of trade that the honourable member for Bennelong had as Treasurer when he said that the world had left us behind, the current account deficit would be \$6 billion, not \$13 billion. That gives some idea of the enormous change. There has been all this silly debate about the J-curve.

Mr Hodgman—You brought it up.

Mr KEATING—Well, if there is a 30 per cent price change in the exchange rate, it will change the equation between imports and ex-

ports. We see already a dramatic change in export volumes, with export volumes rising quite markedly and import volumes being cut. The growth in import volumes was only 0.9 per cent; the growth in export volumes was, from memory, about 19 per cent. It means that the exchange rate is working for us; but, while it is doing that, it has been swamped by a massive price decline in commodities, which require other offsetting changes in the way in which the economy operates. Those are the things that should be of interest to all honourable members, including the Opposition.

We on this side are really conscious of the burden being carried by the primary export sector in this change. Another way of looking at the problems is that the index of export prices rose by 0.4 per cent, but with a 30 per cent depreciation they should have risen by 30 per cent. If we did not have the depreciation, the actual money receipts of Australian farmers would have declined by 30 per cent. They might be rising by only 0.4 per cent, but they would have declined by 30 per cent without this massive depreciation. With the massive depreciation, which allows us to maintain at least some semblance of income for these sectors and to give us more activity, comes a surge in inflation because import prices rise. The Government has tried to deal with that surge with a discount off the current case, and is now trying to deal with the problem of the decline in the terms of trade. I do not think that there is much point in the Opposition trying to score a point here or there about this matter—it is a real problem for us. No doubt the parties opposite the Government in this chamber will be hoping and praying that the Labor Government fixes these fundamental problems, because we are dealing with something that is really 20 or 25 years old. We are dealing with something that goes back to the McEwen days in the 1960s when we were building tariff walls. We are going back to something that deals with the fundamental imbalances in the economy. If these fundamental imbalances are not addressed somewhere, if at some stage in the life of the Parliament—and we have not done this in the last 20 years—we do not get around to dealing with the fundamental problems underlying these matters rather than simply the cosmetics and the silliness of politics, then God help Australia.

Mr Reith—And the Summit?

Mr KEATING—The honourable member talks about summits, but one cannot change economic outcomes in this country and get people to ac-

cept them without first getting them to understand the problem. The honourable member should not try to disparage the Government's consultative processes. The Government's consultative processes are essentially different from those the Opposition parties had when in office. What I am contending to honourable members opposite is that in the present economy, particularly after this Government's actions, they could never behave as they did earlier without any consultation, making decisions—

Mr Donald Cameron—You make arrangements in pubs with Kelty and Crean overnight.

Mr Deputy Speaker (Mr Mountford)—Order! I warn the honourable member.

Mr KEATING—Making decisions and just pushing them out into Press boxes is not enough; one cannot run this economy in that way. The business community has given no points to honourable members opposite for not consulting them over the years. They have said to us that they saw more of us in our first year in government than they had seen of the other crowd in 30 years. That was true. Now that we have changed the way that the Government relates to the business community, honourable members opposite will never get away with their approach in the future—nor should they. They should be interested in talking to these people, and to the trade unions, because one cannot run the economy with a Treasury brief under one's arm, or by putting Press statements out in Press boxes. It is just nonsense; it does not work any more. It is towards that end that the Government has this consultative arrangement.

I am interested in getting the right economic outcomes. Honourable members opposite may wish to attack the Government for its consultative arrangements, but they are the ones that are important. The fact of the matter is that the Government will be consulting, as usual, with the business community and the Australian Council of Trade Unions about these matters. Honourable members opposite must understand the point that the Government has an accord with the trade unions. In its very essence, a centralised system is one that cuts across market processes. To have a centralised wage system that cuts across the market processes there has to be some direction to that intervention. That intervention comes by way of the Australian Conciliation and Arbitration Commission, and we have developed a framework of consultation to develop that intervention; that is called the accord. The very essence of this style of economic policy—this style of wages policy—is that

it is one where there is intervention at the Arbitration Commission level and one that the Commonwealth can in part direct through its negotiation with the parties to the Commission; that is, the Chamber of Automotive Industries, the Business Council of Australia and the ACTU.

I should have thought that, three and a quarter years on in the history of this Government, people on the other side would not cavil at what is obviously a process of consultation for an interventionist system—it is the very essence of it. We are not letting market outcomes be made because there is no labour market in Australia; there is no free market for labour; there never has been. When honourable members opposite tried that in 1981 they had a massive wage explosion of 39 per cent in one year. That ruined the economy and sent us into negative growth. We are not being in that—we are keeping this consultative process going and, hopefully, we will get to a solution whereby Australia can really accommodate what is a massive decline in terms of trade and still come through with flying colours; that is what matters.

I understand the noise from people in the National Party about the farm sector, but one does not have to be in the National Party to be concerned about farmers. Many honourable members on this side of the House have been farmers, some still are, and we are concerned about farmers. We are governing this country for everybody, not just for the people in the trade unions. That is why they are treated fairly. In saying that, I add that it is important to have the tax system cleaned up—it is important to do these things to the tax system. It is unfair to focus on one thing and not another and to give an unbalanced picture of what the Government is doing.

I listened with interest to what the Leader of the National Party (Mr Sinclair) said. He mentioned a whole lot of political things, which I understand. Given his schooling in politics by Mr McEwen, amongst others, if he were really indignant, his speech would have been different from the one that he made. He knows that Australia has troubles. He knows that the international problems are ones not of the Government's or anyone else's making, and he knows that they have to be fixed. I think, also, that he knows in his heart of hearts that we will try to fix them. All I say to him is: Given us some support in doing this. This is not a partisan question; it is something that Australia has to resolve. Honourable members opposite may believe that the resolving of it may work in the

Government's favour, and that may be true, but the fact is that it has to be fixed. I think that the point scoring debates, matters of public importance and all such debates that we have in the House, are all very well—I enjoy the banter and entertainment of it all as much as anybody else—but the fact is that some serious thinking has to be done, and the Government is doing it. When we have finished doing that thinking we will be in a position to let honourable members know what we think ought to happen and they will be quite entitled to say whether they think it is good, bad or indifferent. I hope that they say it is good, because I think most of the things that we are trying to do are the kinds of things that honourable members opposite would like to do if they were sitting on this side of the House.

Mr TUCKEY (O'Connor) (4.17)—This is quite an interesting time to hear the Treasurer (Mr Keating) speak without any arrogance. One wonders whether the weight of the problem is starting to get to him. Is it not funny that he suddenly feels that he might need the help of the Opposition? If he had taken our advice quite some time ago things might have been a little different. It is not so long ago that he was telling us that he had the economy dead right—and dead right is probably correct, with the accent on 'dead'. He rushes back now to the other wax dolls of the front bench, who are having a Cabinet meeting. He has implied to us that they may be trying to work out what they might now do for Australia after three years of mismanagement. I can tell honourable members what they will be talking about in there. They will not be talking about solutions; they are in there talking about how they can talk their way out of it. For instance, who will the Government employ as a new public relations firm? Will a \$100m road show—a bit more PR like the Government tried in relation to drugs—solve the problem? Should we have a phone-in on business investment? That was pretty good when they tried to help the youth of Australia. I wonder whether Bob could round up a tear or two. Most important of all, how do they get Parliament up before the Government has to explain this catastrophe to the Australian people? That is the question that will be addressed in Cabinet today, not the really tough problem of how we might change this country's economic direction. How can the Government talk its way out of this? The Treasurer has just come up with his option. For once he is going to try to be serious and responsible. That is a bit of change, is it not? I say to all honourable members that it's a long, long time from May to September, which is about the time that

the Government will apparently try to address these problems with a Budget. What are the Budget options? The Government will be grateful if it has to borrow only another \$5,000m to spend trying to maintain employment and other programs.

The Treasurer was at pains to talk about Mr Jack McEwen and what he thinks might have been his mistakes. What Jack McEwen tried to do, for better or worse, was to protect Australian workers and give them a chance to develop industries. How did the union leaders deal with that? They exploited the system. They were the ones who demanded more than industry could competitively afford, even with the levels of protection granted. Who was the major exploiter? Who was the man who understood it better because he brought a higher level of education to the job than had been brought to it before? Who was the bloke who said: 'We have got this protection, let us use it'? It was Robert James Lee Hawke. Suddenly we are told that our economic crisis is all the fault of a previous government. If the wages explosion of recent years was the fault of a previous government, let me tell members of the Government that the next time their house is broken into, it is their fault for not having a strong enough door or window. It is not the fault of the thief who takes their goods but the fault of Government members for not being tough enough and having a house built of stainless steel. That is what the Government is trying to tell us is the situation and that we are experiencing the worst international times in history. That excuse is not good enough. It is a similar excuse to that of a small businessman who says: 'I'm going to go broke because my competitor down the road has reduced his prices by 30 per cent'.

The Government is telling us that it has problems overseas and that it does not have a solution. The solutions are the same as those for a small businessman. When he sees his competitor lower his prices he does not call together his staff and offer them a wage increase. He tries to address the problems at home, and that is where the Government is not looking. It forgets that there are three simple questions asked by international purchasers. They want to know how soon can our products be delivered, how good they are and how much they cost. We cannot provide answers to any of those questions.

The Government cannot address the problems overseas. We know that there is corruption in markets overseas. We know that when we go overseas we can buy a lot of kerosene for a VIP

jet and tax the Australian people for it, but what we cannot do is convince politicians overseas to put their seats at risk to help us out. They will not do it and the Government knows that. So the Government has to look at its problem at home. How does it confront its problems at home? It goes to the Australian Conciliation and Arbitration Commission and makes a submission that wages should be increased, that we should grant superannuation, productivity loadings. That is how the Government confronts the situation at home.

Of course, it also creates all these new taxes. The other day I was at pains to point out to the Government that in its three years in office it has increased taxation collections from \$44 billion to \$64 billion, a growth of 50 per cent in collections in three years. The Government has had growth in expenditure and growth in taxation revenue of at least 2 per cent of gross domestic product. On top of all that it has borrowed \$20,000m because it has not been game to balance the books by proper taxation. It is now hitting people with a capital gains tax and it is running around saying that somehow that will get the rich people. That will become a further cost of production. All over the world where people have to pay a capital gains tax, when they sell their business they do a simple calculation. They work out what they want and they add on the capital gains tax. The purchaser has to pay it and he sets his margins accordingly. All of it ends up in the Treasurer's little brown paper bag. Whether it be the delicatessen or anything else it will be the ordinary people of Australia who will pay that tax.

Australian business will be less competitive because it has to cater for that tax when it establishes its costs. Any tax that one imposes on business is a cost. Company tax is a cost because the dividend are paid after tax. The capital gains tax is a cost, sales tax is a cost and, of course, a fringe benefits tax is a cost, and the Government is imposing all of them. These measures will reduce our competitiveness, not help it. Instead of Cabinet meeting now and saying 'What will we do about fuel tax?', which is a major cost to all industry and which the Government has increased from 6.1c a litre to 19.2c a litre, it is talking about how it might talk its way out of the situation, how it can put the accent on overseas trade problems which we all know and understand. The Government cannot fix them in the short term and it will battle in the long term. It must deal with the problems at home, and it cannot do that by doing the things it has been doing.

The Government has pushed up interest rates because it is borrowing all the money—\$20,000m in three years. Honourable members know what the J-curve is. We have a J-curve all right—it is booming. Interest rates are up, inflation is up, taxes are up, spending is up, and deficits are up. I might add that the people are fed up. That is the only J-curve that is working in Australia. The Government has manipulated it and it has got it dead right. What is happening now? The Prime Minister (Mr Hawke), the man who suddenly thought he would take over economic control, is a businessman. We all know his business exploits. He is the man who thought he could take the trade union movement into business. He started Bourke's ACTU store and that failed. He then decided to start ACTU Solo, and through union pressure he got a very attractive deal on the price of petrol, but that failed. We then had ACTU Travel. Where is that today? This is the man who will take over the economic reins. Will he take them over from the Treasurer, who has an overstated view of his own abilities. He too lacks business ability, that knowledge of the true fundamentals. Every Monday morning he goes to the Treasury and they pumps him up with this week's jargon. One day he tripped up because he said a few words on the John Laws show about what he believed. The Government soon sorted him out on that.

Let us look at the problems we have. 'The Exercise of Power' is a headline from one of the newspapers that day after day tell us about the problems between the Prime Minister and the Treasurer, the very two people who ought to be in this together, looking after us. The Government wonders why we have a flight of capital, of business investment from Australia. The *National Times* tells us:

In 1983-84, the outflow of Australian capital jumped about \$700 million on the year before to \$2,262 million. Last financial year it ballooned to \$4,932 million. In the first three quarters of this fiscal year, it has already reached \$5,104 million.

That is the business community's message to the Government. It says: 'We do not trust you. We do not think you understand. We will not tolerate the burdens of labour, taxation and interest rates that you impose upon us with your policies. What are we doing? We are investing overseas the money that you borrowed'. That is a tragedy for Australia and we cannot have any pride in it. That is the situation and that is the Government's problem.

Mr DEPUTY SPEAKER (Mr Mountford)—Order! The honourable member's time has expired.

Mr ROBERT BROWN (Charlton) (4.27)—I do not really care very much what matters of public importance members of the Opposition want to bring into the chamber to discuss but, I wish they would describe them correctly. The Opposition has chosen to refer to this matter of public importance in these words:

The growing division and disarray in the Government's response to the national economic crisis.

When I saw that listed on the blue sheet today as the matter of public importance I thought: 'Hullo, something has gone wrong. I had better go to the media and see what is going wrong, what it is that is collapsing'. First of all I went to a major metropolitan daily newspaper—the *Sydney Morning Herald*—and looked on the front page for evidence of this economic crisis. I show the House the front page of the *Sydney Morning Herald*. No economic crisis at all is mentioned there. It refers to the circumstances in South Africa and there are articles headed 'Tourists on dole test bureaucrats', 'Murder-suicide fears in car fire deaths', but there is no reference at all to anything that could be identified as an economic crisis. When I got to page 3 I saw evidence of a bit of a crisis. A headline states: 'Libs gets a fright in Pittwater poll'. The Liberal Party practically went down the gurgler in the by-election in Pittwater, in New South Wales. Also on page 3 is another crisis—not an economic crisis but a crisis, Alan Jones, coach of the Wallabies, and Professor John Hewson are both running for endorsement for the Federal seat of Wentworth when Peter Coleman goes. Apparently he will not contest the next election. So Alan Jones and John Hewson are both running for endorsement for that seat, and there is a bit of a crisis because they are seeking to become members of this Parliament to make a run for the leadership. There was nothing on the front page of the *Sydney Morning Herald* or in the business section of the *Sydney Morning Herald* about an economic crisis. I found a reference in the business section to good economic news.

Mr Ian Cameron—Like what?

Mr ROBERT BROWN—The honourable member should read it; he will be fascinated if he looks at the article. What I then did was to go to the *Australian Financial Review*. I thought: 'The *Australian Financial Review* will have picked up this crisis and it will be on its front page'. It is not there. I do not mind and the Government does not mind if those opposite want to devise matters about which they wish to express some concern in the chamber, but for

heaven's sake they should describe them properly. Out of the last eight matters of public importance raised by those opposite, six have related to the economy. After all that practice I would have thought that they would get it right. They still have not got it right. On six out of eight MPIs those opposite have had practice on the supposed problems with the economy and they have not got it right yet. I do not know how much more practice they need. I suggest that during the winter recess—this is the last sitting week before the winter recess—those opposite have a bit more practice. They will be coming back to the Budget session, which is pretty important as far as economic considerations are concerned, and they should have a bit of practice. I hope that when they come back later they will be able to be a little more effective than they have been.

Two honourable members who spoke in the debate, the Leader of the National Party of Australia (Mr Sinclair) and the honourable member for O'Connor (Mr Tuckey), made some reference to the need for moderation. Generally the implication is that that means some sort of moderation by wage and salary earners. That is okay. Wage and salary earners, through the ACTU, have been exercising a fair degree of moderation. Let us look at some other examples of moderation in the economy. While I was going through the newspapers trying to find evidence of that economic crisis I found some other interesting elements. I will give some examples of the sort of moderation exercised by other people in the economy. First, six New South Wales finance companies will be asked to justify charging interest rates as high as 140 per cent.

Mr Martin—How much was that?

Mr ROBERT BROWN—It was 140 per cent.

Mr Martin—Unbelievable!

Mr ROBERT BROWN—I can understand the honourable member's disbelief. Notice the interjections from Opposition members. Notice all of them screaming with concern! How remarkable quiet they are! They are quite because they do not want that sort of thing exposed. The people I mentioned are those that the Opposition represents and defends. I ask honourable member's to listen to some other examples of moderation. Doctors will start charging pensioners for consultations because the doctors say they cannot afford the discounts. There is moderation! What do those opposite think about that? Is it good? Do those opposite endorse that? I bet they clap and applaud that. I bet they are joyous about those developments. Lis-

ten to this next example, Mr Deputy Speaker. Those opposite suggest as well that wage and salary earners—the wage plug; those people that I represent—need to exercise some moderation. Surely they already have. When I get a chance I will deal with that matter. Let us look at the next example of a little bit of moderation. Percentage increases in directors' fees for big companies—

Mr Ian Cameron—They are the bosses.

Mr ROBERT BROWN—The honourable member should wait—he might try to defend this. The percentage increase in directors fees from 1984 until 1985—I remind you, Mr Deputy Speaker, that that was the time when all the wage plugs in Australia were being prevailed upon to exercise some moderation, and when they were exercising moderation, and when those opposite were urging that we cut welfare payments so that pensioners and all people on welfare payments would exercise moderation—for the Broken Hill Proprietary Co. Ltd was 80.7 per cent and for ICI Australia Ltd was 56 per cent. Woolworths Ltd directors' fees were up by 49.6 per cent. Elders-IXL—John Elliott, the mate of those opposite and National Treasurer of something of the Liberal Party—directors' fees were up by 33.8 per cent. There is some moderation for you, Mr Deputy Speaker. What do the gentlemen on the Opposition benches think about this? They are remarkable silent. here is another little bit of moderation. In addition to what a specialist earns in private practice and in some of the other hospitals to which he has visiting medical rights, a specialist in a hospital in New South Wales for 2½ days a week receives \$83,000 for the year.

Mr Martin—How much?

Mr ROBERT BROWN—He gets \$83,000 a year for 2½ days a week in one of our public hospitals in Sydney. In addition, he has his private practice, his visiting medical rights to probably a number of other public hospitals and probably has interests as well in private hospitals and nursing homes. For that 2½ days a week over the whole year he picks up a neat 83,000 bucks.

Mr Tuckey—Net?

Mr ROBERT BROWN—Net! The honourable member for O'Connor says: 'Net?' I do not give a damn whether the figure is gross or net. I tell the honourable member: It is gross, mate. Does he defend it? A senior general practitioner at the same hospital for 16 hours work a week—in addition to his outside practice, probably with

visiting medical rights to other hospitals and perhaps some interest in some private hospitals and nursing homes—earns 34,800 bucks a year. There is a nice little bit of moderation. Those blokes in cockies corner should realise, when talking about the difficulties that farmers face, how these characters—the Liberals support all of them—are ripping off the system. If honourable members are fair dinkum when they talk about farmers having a net income of only \$3,000 a year, they should look at these matters. I hope that the honourable member for Dawson (Mr Braithwaite) does not go to our coal miners to try to justify such things after the miners have been exercising moderation and have been required to exercise moderation. When we talk in terms of the economic crisis—which does not exist, and the newspapers confirm it—let us look at some other crises. There is a crisis in morality, in justice and in fairness as far as the Opposition is concerned. There is a crisis in morality as far as this nation is concerned.

Mr DEPUTY SPEAKER (Mr Mountford)—Order! The honourable member's time has expired. The debate is concluded.

STANDING COMMITTEE ON EXPENDITURE

Membership

Mr DEPUTY SPEAKER (Mr Mountford)—I have to announce that Mr Smith has been nominated to the Standing Committee on Expenditure.

CONSTRUCTION OF NEW RESOURCE MANAGEMENT CENTRE, ST LEONARDS, NEW SOUTH WALES

Approval of Work: Public Works Committee Act

Mr WEST (Cunningham—Minister for Housing and Construction) (4.38)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported to Parliament: Construction of New Resource Management Centre, St Leonards, NSW.

In recent years Telecom Australia has experienced a rapid growth in demand within its organisation for information systems support for its management functions. As such, the Resource Management Centre at St Leonards is required to meet Telecom's ongoing requirements and for data processing equipment accommodation. The Centre will comprise four buildings: Two operations buildings, an engineering services building

and a support building. The two operations buildings are each of two storeys and house computing equipment areas and associated services. The engineering services building is of three storeys and contains the centralised engineering services. The support building is of two storeys and houses a paper store, equipment room, security control centre, offices and staff amenities.

As soon as approval is given, tenders will be considered and a contract awarded to a private contractor to carry out the actual construction work, in accordance with normal departmental practice. The facility is to be completed in stages. The first stage, targetted for mid-1987 completion, comprises sufficient building works and services to enable the operation of 1,600 square metres of equipment space and the support building together with engineering services and staff areas. Equipment areas will then be sequentially fitted out in stages to completion in December 1989. To minimise site disruption the carcass of operations building No. 2 is scheduled for completion in February 1988. The limit of cost of the proposed work is \$86m at February 1986 prices.

I point out to the House that the work, as always in major projects of this nature, will be awarded to a private contractor. Often the shadow Minister, the honourable member for Deakin (Mr Beale), makes a point of mentioning this matter in his reply to expediency motions. His remarks always seem to me to illustrate a complete lack of knowledge about the operations of the Department of Housing and Construction. He does not seem to realise that at all times, with any major project of this nature, a tender is put out to the private sector and a private sector firm invariably gets the job, whether it be as construction manager or for construction under a project manager from within the Department.

Having made that point, I wish to say that this will be a very major project; obviously \$86m is a major project. I wish to thank the Committee for its prompt consideration of the proposal. If the House agrees to support the motion, planning can proceed in accordance with the recommendations of the Committee. I commend the motion to the House.

Mr BEALE (Deakin) (4.42)—I thank the Minister for Housing and Construction (Mr West) for making available the terms of the motion that he has just moved. The Opposition does not oppose the motion. So that the Minister can have no misunderstanding about our position on this matter and the extent to which we

regard as relevant the involvement of the private sector, I point out to the Minister that time and time again I have said to him that he should optimise the use of the private sector with the design and supervision of these projects. The Minister has in his Department some 4,000 engineers, architects and other sorts of design people doing work that can be done equally well by the private sector.

It is very interesting to note that the Minister has had in his possession for over a week a draft discussion paper of the Opposition's housing and construction policy. He has had a number of occasions on which to talk about that draft document. On no occasion has he ever taken issue with the fact that we in the Opposition recommend in that draft document that the work of those 4,000 people in his Department should be gradually transferred over a period to the private sector.

I also thank the Joint Committee on Public Works—I am delighted to see in the Chamber my colleague the honourable member for Wide Bay (Mr Millar), who is Vice-Chairman of that Committee—for giving consideration to the matters that were raised in my response to the Minister's motion on 14 April this year to refer this matter to the Public Works Committee. However, the report does raise a matter that has concerned the Opposition for some time. We all know that for years Telecom Australia and other government statutory authorities and government departments have complained to successive relevant Ministers of both political groupings about the interference of third parties in functions that they believe they can best carry out. They have complained about the activities of the Department of Housing and Construction, of the Crown-Solicitor's office and of the Department of Local Government and Administrative Services. I am sorry that the Minister has chosen this moment to run out; no doubt he will hear from me again on this matter. Those authorities have complained that these intermediaries are in intrusion into their affairs, that the intrusions hamstringing their operations and that, as a result, costs inevitably rise.

The Opposition in government will tackle the difficulties that arise because of the presence of these intermediaries. The Opposition in government will tackle the problems of duplication in government. The Opposition in government will deal with waste. The Opposition in government will ensure that we have a more efficient, more effective and less expensive government for the benefit of all Australians.

Question resolved in the affirmative.

JOINT COMMITTEE OF PUBLIC ACCOUNTS

Mr ROCHER (Curtin)—On behalf of the Joint Committee of Public Accounts I present the 247th report of the Committee relating to expenditure from the Advance to the Minister for Finance, Appropriation Acts 1984-85. I seek leave of the House to make a short statement in connection with the report.

Leave granted.

Mr ROCHER—I thank the House. Report 247 examines the use of the Advance to the Minister for Finance in 1984-85. Honourable members will be aware that each year the Committee examines expenditure from the Advance to the Minister for Finance to ascertain whether expenditure from the Advance has been confined to urgent and unforeseeable requirements for which provision could not have been made in the original or Additional Estimates. The committee also seeks to ascertain whether the departments concerned have maintained efficient administration in the expenditure of funds under the items examined. Under current arrangements, the committee receives copies of all approved applications for funds from the Advance where they would remain a final charge to the Advance at the close of the financial year. All these applications for funds must be accompanied by adequate supporting detail. The committee received statements on 103 items of expenditure remaining a final charge to the Advance in 1984-85. Supplementary material was obtained on 22 items.

Despite clear instructions some departments did not offer sufficient explanation with their applications. The Committee expects the Department of Finance to insist upon sufficient documentary material being provided, prior to approval being finalised, for it to be satisfied that an urgent and unforeseeable requirement for funds from the Advance was warranted.

While the Committee is satisfied that in all cases of expenditure remaining a final charge to the Advance in 1984-85 the requirements were urgent, it is not convinced that all were unforeseeable. In several cases, the requirement for additional funds should have been foreseen before the cut-off date for changes to Additional Estimates on 25 March 1985. In particular the Committee is not satisfied that the criteria for the use of the Advance to reimburse a revenue shortfall in the Williamstown dockyard trust account were satisfied. The fact that the central

office of the Department of Defence was unaware of the likelihood of a very large shortfall until May 1985, although the dockyard had been implementing measures aimed at eliminating the shortfall since late in 1984, indicates a disturbing lack of liaison between the dockyard, the Office of Defence Production and the central office of the Department.

The Committee will be inquiring further into the operation of the Williamstown dockyard trust account when it reviews the Auditor-General's report of March 1986. The Committee will particularly be looking to examine the proposed 1985-86 financial statements of the dockyard, which the Department has advised will conform to the 'Guidelines for the Form and Standard of Financial Statements of Commonwealth Undertakings'. I commend the report to honourable members.

**INSPECTOR-GENERAL OF
INTELLIGENCE AND SECURITY BILL
1986**

[COGNATE BILLS:

**AUSTRALIAN SECURITY INTELLIGENCE
ORGANIZATION AMENDMENT BILL 1986
INTELLIGENCE AND SECURITY
(CONSEQUENTIAL AMENDMENTS) BILL
1986]**

Second Reading

Debate resumed from 22 May, on motion by
Mr Lionel Bowen:

That the Bill be now read a second time.

Mr DEPUTY SPEAKER (Mr Mountford)—I understand it is the wish of the House to debate this order of the day concurrently with orders of the day Nos 2 and 3, the Australian Security Intelligence Organization Amendment Bill 1986 and the Intelligence and Security (Consequential Amendments) Bill 1986. There being no objection, the Chair will allow that course to be followed.

Motion (by **Mr Lionel Bowen**)—by leave—agreed to.

That so much of the Standing Orders be suspended as would prevent the honourable member for North Sydney from speaking for a period not exceeding 40 minutes.

Mr SPENDER (North Sydney) (4.50)—I thank the Attorney-General (Mr Lionel Bowen) for moving a motion to enable me to speak for as long, if I chose to, as he spoke when introducing these three Bills. The three Bills—the Inspector-General of Intelligence and Security Bill, the Australian Security Intelligence Orga-

nization Amendment Bill and the Intelligence and Security (Consequential Amendments) Bill—are pieces of legislation of great importance to this country.

Let me state at the outset the Opposition's approach to the Bills. First, we have real reservations about the effect the Inspector-General of Intelligence and Security Bill may have on the operation of our security agencies. We will propose amendments to it, including a three-three sunset clause, and will closely monitor the operation of the legislation should it be passed in its present form. Next, we oppose the Australian Security Intelligence Organization Amendment Bill because of the proposal in it for a parliamentary committee to oversee the operations of the Australian Security Intelligence Organisation. The operations of that committee will inevitably undermine the secrecy of ASIO's operations, and the proposal advanced by the Government is one which was rejected by Mr Justice Hope, on whose recommendations much of the legislation before the Parliament is based. The concept of a parliamentary committee is dear to the heart of Labor—especially the Left, which remains deeply committed to the effective destruction of Australia's security and intelligence agencies. Last, the Intelligence and Security (Consequential Amendments) Bill deals with certain consequential matters, as its name implies, and we proposed to move certain amendments to it—first, to increase the penalties for unlawful interception; second, to amend the redefinition of sedition contained in this Bill so as to make it plain that exciting disaffection against the sovereign constitutes sedition; and third, to propose certain consequential amendments. Otherwise, however, we do not oppose the Bill.

Before examining the main elements of this legislative package I wish to speak in defence of the great and essential work of our intelligence and security community—work that is attacked, undermined, derided and ridiculed by Labor's Left; work that evidently, because of the proposal to have a parliamentary committee, does not have the committed support of the Government, which is prepared to jeopardise the secrecy and confidentiality of ASIO. No doubt we will hear a few voices from the Left in the course of this debate telling us all the good reasons why ASIO should be oversighted by parliamentary committees and the consequence of that for ASIO.

Mr Milton—You certainly will.

Mr SPENDER—I hear a little interjection. It is hard to hear quite what it is, but I do hear a little interjection from the Left. It is characteristic of the declared enemies, the potential enemies, and the unconscious pawns of those who menace our society that they direct their energies to the destruction of Australia's intelligence and security capabilities and the emasculation of its armed forces, and at the same time ignore the realities of the struggle the Western democracies have engaged in since the last world war to maintain peace, to secure prosperity and to advance and protect the liberties on which our democracies depend.

Our national security is protected by our armed forces, by our willingness as a nation to resist aggression and support the other democracies, and by the system of alliances of which we are a part. But unless we have a clear understanding of internal and external threats and dangers, of the possibilities to be exploited and the advantages to be won in foreign affairs, we are condemned to work with intellectual and political blinkers. To degrade, to hobble and confine our security and intelligence resources, to subvert their ingenuity, their morale and their determination, is the military equivalent of blinding our strategic planners.

Intelligence is as old as war itself; only the means have changed. Without proper intelligence systems governments may fatally misread the intentions of other countries and embroil their own countries in needless and catastrophic wars, or else, equally fatally, underrate the aggressive intentions and capabilities of external foes. The misreading in the 1930s by British intelligence organisations of the capabilities of Germany's economy, of Hitler's intentions and of the role of the German General Staff—thought by many to remain a stable and dominant element in Germany's political makeup and one opposed to a major war, when in fact it was subservient to Hitler and his willing accomplices—contributed greatly to the respectability within the British Government in the 1930s of the doctrine of appeasement and the near fatal delay by Britain in building its own armed forces and in reacting to the threat Nazi Germany posed.

Leaving aside covert operations, I point out that the basic functions of our intelligence and security services are these: First, to warn of impending events, such as a war, a terrorist attack or a coup against a friendly government; second to provide status reports on events in progress, their likely outcome and their effect on

the host country of the security and intelligence services—for example, negotiations in progress or internal struggles in an important regional country such as the Philippines; third, to provide long range forecasting of political, economic and military trends. Intelligence services have come a long way since the time of the lone spy or the planted mole—a term used in the seventeenth century by Francis Bacon when writing of spies during the reign of Henry VII. We have come a long way since the days of the gentleman amateur—a tradition that died hard in British intelligence services. As late as 1930 a recruit of Britain's Secret Intelligence Service was told that there was no need for expert knowledge, and when he asked for tips on how to be a spy he was told by the station chief in Vienna: 'You will just have to work it out for yourself. I think everyone has his own methods and I can't think of anything I can tell you'. That quotation appears on page 9 of *The Missing Dimension*.

We are now in an era of dedicated professionalism—professionalism which is vital to our organisations—coupled with the use of the most sophisticated and widening electronic surveillance and data storage and analysis systems. Three trends emerge from an examination of intelligence gathering and analysis since the Second World War. First, there is a vastly greater emphasis on professionalism, exemplified by the services of the United States of America, Israel and, despite criticisms, by our own intelligence and security organisations. Secondly, there is an immense reliance on technical systems such as satellite reconnaissance, of great accuracy, extraordinary sophistication and prodigious costs. The result is that intelligence and security services without these systems, or without access to them, can be effectively shut out from a great range of intelligence, and the cost and technical expertise, especially in the critical area of satellite reconnaissance and surveillance, have made this area the virtual preserve of the Union of Soviet Socialist Republics and the United States. It is on the United States and the intelligence shared by that country that we and other Western countries rely so greatly. Third, the all-source glut of information available, including a great deal of useful but unclassified material, places great strain on intelligence services and policy makers who are likely to be confused rather than assisted unless this glut of information is reduced to manageable proportions.

May I suggest that the objectives for Australia's security and intelligence services are: First, to make the best use of available resources with the highest degree of professionalism and co-

ordination between the agencies and the strongest support and maintenance of the agencies at the political level. The second objective is targeting the areas of major relevance to Australia. We simply do not possess the resources to attempt to cover all fields of interest to us. So priorities and targeting are essential. The third objective is the maintenance of our close relationship with United States intelligence services. The loss of information from these services could be of great damage to us and could deny us essential intelligence in times of emergency. The maintenance of this close relationship depends on the confidence the United States continues to have in the confidentiality, internal security and reliability of Australia's agencies. That comment needs to be borne in mind when we look to the proposal for the establishment of a parliamentary committee.

Broadly stated, the functions of the five intelligence agencies—ASIO, the Australian Secret Intelligence Service, the Defence Signals Directorate, the Joint Intelligence Organisation and the Office of National Assessments are as follows. The functions of ASIO are the collection, evaluation and communication of intelligence relevant to the protection of Australia from a number of specified activities, including espionage, subversion and terrorism. It has no powers of interrogation, detention or arrest. Its functions are confined to informing and advising governments, including the police authorities. The function of the Australian Secret Intelligence Service is the collection of foreign intelligence.

The Joint Intelligence Organisation provides specialised intelligence data banks, analysis and assessment support to the Minister for Defence, the Defence Force and the Department of Defence in relation to Australia's strategic environment. The Defence Signals Directorate is the rough Australian counterpart of the United States National Security Agency. It is concerned with information and intelligence from electronic emission and the security of government communications and electronic emissions. Lastly, the Office of National Assessments has the brief of providing governments with assessments on international matters which are of political, strategic or economic significance.

I turn to the Inspector-General of Intelligence and Security Bill. Mr Justice Hope recommended the appointment of an Inspector-General of ASIO, and in respect of ASIS and the DSD, and with more limited functions in the case of ONA and the JIO. As to ASIO he said:

The Inspector-General should be empowered in relation to ASIO to inquire into:

Its compliance with the law;

The propriety of its actions in more general terms;

The appropriateness and effectiveness of its internal procedures.

He emphasised:

... this recommendation is not intended to divert or to intrude upon the responsibility of the Attorney-General or of the Director-General of Security but to provide an independent oversight of ASIO's activities, to give the public a greater assurance that those activities are proper ones, and to clear ASIO or to bring it to the task, as the case may be, if allegations of improper conduct are made against it.

Broadly stated, the functions of the Inspector-General are, in relation to ASIO, at the request of the Attorney-General, of the Inspector-General's own motion, or in response to a complaint made to the Inspector-General, to inquire into the compliance by ASIO with Australian law and the compliance by ASIO with the directions and guidelines given to ASIO by the Attorney-General—power for the Attorney-General to give directions and guidelines to ASIO is to be granted under the ASIO Amendment Bill—to inquire into the propriety of particular activities of ASIO, the effectiveness and appropriateness of the procedures of ASIO relating to the legality or propriety of the activities of ASIO, to inquire into an act or practice of ASIO that is or may be inconsistent with or contrary to any human right, being an act or practice referred to by the Human Rights Commission. Lastly, in certain circumstances under this Bill, the Inspector-General is also given power of inquiry into employees' grievances, ASIO reports concerning Australian citizens or permanent residents, and the collection and communication of intelligence concerning particular individuals. The Inspector-General also has similar powers of inquiry under the Bill into the activities of ASIS, DSD, JIO and ONA, except that some of these powers of inquiry may be initiated only by the Attorney-General.

The Opposition does not oppose the establishment of an Inspector-General vested with certain limited powers, but these powers and their exercise should be more limited than the Government proposes. The Government's proposals go further than Mr Justice Hope recommended—should be kept under constant review to ensure that they do not in any way impair the efficient functioning of our intelligence agencies, and should be subject to a three-year sunset clause which would apply to the whole Bill, at which time or after which time the Commission's functions and operations and the roles it has

performed can be thoroughly reviewed. Let me add that if the Inspector-General operates unsatisfactorily between the date of passage of this legislation and three years from now, the Opposition, in government, will feel quite free to amend the Bill as it sees fit or to repeal it. We are most certainly not giving this Government any kind of a blank cheque.

Mr Duncan—I am glad you are not expecting to get into power for three years.

Mr SPENDER—We do. We expect to get into power at the next election. The honourable member knows it and I know it. That is the reason we are giving the Inspector-General three years and the reason we have made the decision that we will feel quite free not to be confined to three years should the facts otherwise indicate and should it be necessary for us to take action. The Government has deliberately gone beyond Mr Justice Hope's recommendations. It has done so most significantly by providing that the Inspector-General shall have the power to investigate acts or practices of ASIO, DSD, JIO, ASIS or ONA that are, or may be, inconsistent with or contrary to any human right as defined in the Human Rights Commission Act 1981. That Act defines human rights in the widest of terms. It defines human rights as meaning the rights and freedoms recognised in the International Covenant on Civil and Political Rights, as declared in the Declaration of the Rights of the Child, the Declaration of the Rights of Mentally Retarded Persons and the Declaration of the Rights of Disabled Persons, or as recognised in any international instrument to be an international instrument relating to human rights for the purposes of the Human Rights Commission Act.

It is rationally inexplicable that these powers should be given to the Inspector-General. The broad purpose of the agencies is to collect intelligence and to protect Australia's security interests. This inevitably involves, from time to time, trespassing on human rights and freedoms. The Coombe-Ivanov case, to take a recent example, illustrates the absurdity and stupidity of these incompetent and dangerous proposals. Mr Coombe as an Australian citizen could complain that his right to privacy was being infringed by ASIO, even though ASIO had taken steps to limit its infringement of his right to privacy as far as possible. So his right to privacy was being infringed, but it was being infringed in pursuit of the rationale that justifies ASIO's existence—the collection of intelligence necessary to protect our security interests. Every time a telephone intercept is made, every time a bug is planted,

every time by other means the communications and dealings with people suspected of subversive activities or as otherwise acting contrary to Australia's national interest are lawfully monitored by ASIO or any other agency, an infringement of the right of privacy, as it is called must inevitably occur. The fundamental point is that our intelligence and security agencies are in a special position: In the protection of the interests of the country and the people as a whole they may infringe the rights of individuals and such infringement is inextricably bound up with their functions.

Intelligence and security services in this country exist to defend our liberties, not to undermine them. The nature of their work is to confront the harsh reality of international and domestic subversion, to assess where our vital interests lie and how best to secure them, to gauge the commitment of our allies to us and gauge the actual and latent threats that lie around us. To gather intelligence to defend ourselves against the actions of those who would radically change our society in ways that the great majority of Australians would fiercely resist sometimes demands actions and ways of thought from which many would shrink. We are far too willing to let others do the hard and dirty work for us, to take the benefit of that work, and to avert our eyes from what goes on.

The width of the power to investigate breaches of human rights, which can be made on complaint on the Inspector-General's own motion or at the request of the Attorney-General in the cases of ASIO, ASIS and DSD, but only at the request of the Attorney-General in the cases of the JIO and the ONA, demonstrates one of two things—either the Government did not understand what it was doing, or it was careless of the consequences to Australia of opening this kind of door. It is evident that much will depend on the choice of the Inspector-General. It is essential that whoever is chosen for this position have the highest qualities of impartiality, discretion and probity, and that in the discharge of his duties, the Inspector-General be determined that the work of the Commission should not interfere with or in any way undermine or impair the efficient and legitimate operation of our intelligence agencies. In the Committee stage the Opposition will propose the amendments that I have foreshadowed, together with other amendments designed to strengthen this Bill.

I now pass to the Australian Security Intelligence Organization Amendment Bill 1986. The principal function of this Bill—as I have said,

we oppose the Bill—is to establish a Parliamentary Joint Committee on the Australian Security Intelligence Organization. The Opposition opposes the establishment of this committee for a number of reasons. In the first place, the issue was given close consideration by Mr Justice Hope and effectively he recommended against it. His reasoning went as follows. First, existing accountability measures are better strengthened by the introduction of the office of Inspector-General, who will have the ability to delve into detailed and sensitive information and activities. For this reason, the introduction of the new and separate line of accountability is not justified. Next, unlike the United States of America, Australia's security and intelligence community already has an inherent element of accountability because all the organisations report directly to a member of parliament; that is, to the Minister to whom they must answer. In Canada, which operates under a parliamentary system analogous to that of Australia, the idea of a parliamentary committee has also been rejected on the grounds that such a committee lacks permanence, in the sense that committees are subject to the vagaries of time, change in membership and overwork, and the problem of further dissemination of sensitive intelligence, in particular in relation to partisan political motivation of some members, necessarily exists. The problem of further dissemination of sensitive intelligence is a significant one. Leaks, through members, staff or *Hansard*, are a real risk. If all relevant information is not made available to the committee, its failure to achieve its objectives is assured and the task of the committee cannot be justified.

Let me quote from what Mr Justice Hope had to say at page 343 in the report of the Royal Commission on Australia's Security and Intelligence Agencies. He said:

It is particularly important to keep in mind what it is that the Congressional committees do in the course of their oversight. Much of their influence is exercised through their participation in the budgetary process. In reviewing the financial bids for the agencies they examine the justification advanced for the various programs for which the agencies are seeking funds. The emphasis in the review by the committees is on the nature of the programs rather than on particular operations which may be included in them.

He there points to the difference between what is proposed here and what he sees happening in America. He also said, at page 345:

If a special committee to oversee ASIO were to have access to detailed information consideration would have to be given to the practical problems which would be created by further widening access to such information.

Difficult questions would also arise about the position of committee members in relation to such information. When the information is of sensitive operational activities, committee members would in a real sense share a degree of responsibility for those operations.

He went on to put his reasons why this proposal should not be adopted. The committee proposed under this Bill is to be given powers to review the activities of ASIO that are referred to it by the Minister or either House of Parliament upon motion, and it is empowered, upon resolution, to request the Minister to refer a particular aspect of ASIO's activities to it for review. Upon receiving such a request, the Minister may, at his discretion, refer that matter to the committee. Whilst there are limitations on what the committee can do, it is plain that despite the limits on the powers of the committee, it is to have wide powers of examining aspects of the activities of ASIO. An example is the gathering of information relating to a specific intelligence operation, such as the Ivanov-Combe affair, or perhaps far more serious and damaging activities. Furthermore, it is clear that the joint committee is to have access to documents having national security classification. That appears from proposed section 92F. It is also to have access to the names of employees of ASIO. That appears from proposed section 92N. Members of parliament will be aware that under the law the publication of the identity of an officer of ASIO, except in very limited circumstances, is prohibited by section 92 of the Australian Security Intelligence Organization Act 1979.

If one goes to proposed section 92N (1), one sees strikingly the width of the information the committee is to have, because it is provided that the committee shall not, in a report to a House of the Parliament, disclose the identity of a person who has been an officer, employee or agent of the organisation, information from which the identity of such a person could reasonably be inferred or classified material or information on the method, sources, targets or results of the operations or procedures of the organisation, the public disclosure of which would, or would be likely to, prejudice the performance by the organisation of its functions. Plainly, therefore, the committee is to have access to that kind of information, otherwise there would be no point in placing a prohibition upon what it could disclose.

Who will have access to this kind of information? Members, the staff, the staff of some members of the committee, no doubt, and the reporting staff. This means that the risk of leakage of confidential material to the prejudice of

ASIO and to the prejudice of our security and intelligence systems will be real and high. The United States experience with the Congressional committee that oversights the operation of the Central Intelligence Agency and the leaks that have occurred from that Congressional committee are not particularly reassuring. Sanctions exist for unauthorised disclosure. We might call those sanctions, however, the indemnity for the Left, since on examination it will be seen that while they apply to committee members, they are quite empty as, first, there is the immense difficulty of discovering the source of leaks—a difficulty known to everyone in Parliament—and, next, the sanction for a breach by a committee member is a maximum of two years imprisonment, but proceedings for a prosecution shall only be instituted by or with the consent of the Attorney-General. Why should it be the Attorney-General rather than the Director of Public Prosecutions? Why do we bring in the Attorney-General, having established the position of Director of Public Prosecutions to have the general superintendence of the bringing of prosecutions in this country?

Apparently, there is to be a special deal for committee members. The reason for that is very simple. It is a disguised protection included for members of parliament who, on conviction for offences involving imprisonment for one year or more, regardless of the sentence awarded, are automatically disqualified from holding office. What does that mean? Would the Attorney-General authorise proceedings against a member of his own Party? The pressure on him to do nothing would be immense, as he would know that the internal repercussions, and quite possibly the public repercussions as well, would be devastating. If a member of another political party was involved the pressure to do nothing would be just as heavy, for fear that the Attorney-General and his Government would be charged with instituting a politically motivated prosecution. As I said, it is the left wing indemnity clause, because it is the left wing that determines, and is determined, to capture the control of these committees.

By setting up a parliamentary committee this Government will be achieving a long term goal of many Labor politicians, especially those from the Left; that is, gaining entry into the internal workings of the Australian Security Intelligence Organisation, under a government too supine, too indifferent to our national security needs and too devoid of commitment to those needs to take the stand that it should have taken against the Left and to say: 'No, we will not have it. It

is not in this country's interests to have such a committee'. To capture membership of this Committee or to capture membership on it by any member of the left faction, which sits over there, is a goal of the Left. Does anyone in this House really believe that the Committee will not be exploited by the Left to pursue its vendetta against our security and intelligence organisation—

Mr Milton—To protect innocent citizens.

Mr SPENDER—Or that the essential secrecy of ASIO will be preserved if this Committee is set up? The motivation and temptation to leak would be irresistible. Let me conclude by referring to the last interjection referring to protection of citizens. What about the protection of the people of this country? Why cannot members opposite look to the national interest of this country and stop pursuing their grubby, dangerous, ideological vendetta against the security and intelligence organisations of this country? Why do not members opposite have the courage, the patriotism and the farsightedness to look to the interests of this country and to throw to one side forever the baggage they carry around which they call their commitment to justice? When do members opposite speak out against what place the Union of Soviet Socialist Republics? When do members opposite speak about the KGB? Their targets are the Central Intelligence Agency and our intelligence organisations, and the Australian people should never be allowed to forget that.

Mr MILTON (La Trobe) (5.25)—Having heard the comments of the honourable member for North Sydney (Mr Spender) about certain parliamentarians on this side of the House, the Central Intelligence Agency and whether we criticise the KGB and the Soviet Union, I point out that the honourable member should know that we are prepared to criticise the Union of Soviet Socialist Republics, for instance, when it is warranted, and he should also know that the United States Central Intelligence Agency, which has been very strongly supported by our own security and intelligence organisations, has in fact perpetrated many crimes around the world, particularly in South America.

I now want to speak specifically on the Australian Security Intelligence Organisation Amendment Bill and the ancillary legislation, the Inspector-General of Intelligence and Security Bill and the Intelligence and Security (Consequential Amendments) Bill. I welcome the changes that will be made to the Australian Security Intelligence Organisation, involving par-

liamentary oversight and increased ministerial control. In the submission that I made on 25 July 1983 to the 1983 Royal Commission on Australia's Security and Intelligence Agencies, conducted by Mr Justice Hope, I indicated that I had been concerned with the excessive secrecy that had surrounded all the activities of ASIO over the years of its operations. Secrecy is anathema to a democratic society, and it is about time the honourable member for North Sydney realised that.

In addition I was most concerned that the definition of 'subversion' was too widely interpreted to include criticisms of the capitalist system, which are part and parcel of the Labor Party's philosophy of democratic socialism, and detailed in the platform of policies of the Australian Labor Party. In this respect I particularly concerned with the definition of 'subversion' contained in the Australian Security Intelligence Organization Act 1979, which referred to activities 'likely ultimately to involve or lead to the use of force or violence or other unlawful acts'. I submitted that criticisms of the exploitation which exist in the present system of monopoly capitalism do not lead to subversion but, nevertheless, as the 1978 report on Special Branch security records by Mr Justice White submitted to the South Australian Government and the fourth report of the 1977 Royal Commission on Intelligence and Security indicated, ASIO has undertaken surveillance of a number of classes of loyal citizens whose only crime was that they held politically Left views. In my submission to the Hope inquiry I was particularly critical of the area of surveillance known as 'active measures'. In the 1977 Royal Commission's report, 'active measures' were described as being 'activities used by an unfriendly power clandestinely to influence or subvert the policies of another power, to feed in with false information or to take a variety of other clandestine or deceptive actions to weaken it or confuse its people'. The key words there are 'unfriendly', 'clandestinely', 'influence' and 'subvert', because they all bear subjective connotations. Due to a lack of time I will not be able to draw attention in this debate to the many examples that I gave in my submission of how active measures could be used to present a subjective viewpoint on the activities of persons who are attempting through the non-violent conflict of ideas to influence the political views of other people. Suffice it to say, I pointed out that the concept of active measures was a highly subjective viewpoint which makes a number of presumptions and assumptions about the activities of foreign powers in Australia and the

relationships of representatives of those powers with individual Australians, which could be misleading and incorrect.

The assumptions were based on the premise that, because some foreign powers have a different political and economic framework of government from that of Australia, any intimate contact their representatives may have with individual Australians represents a threat to the sovereignty of Australia. The assumption goes even further because it presupposes that the present political and economic framework of Australian society is sacrosanct and inviolate and that the provision of contrary views based on differing information may weaken or confuse the Australian public. My 1983 submission to the Royal Commission had concluded that the revelations of the 1977 Royal Commission report and the 1978 South Australian Special Branch security report provided sufficient evidence to recommend that ASIO should be dissolved and its activities transferred to the Federal Police Force.

Mr McGauran—Ha, ha, ha!

Mr MILTON—The honourable member opposite is sneering, but in his report Mr Justice Hope suggested that that could happen at some time in the future.

Mr Scott—He has not read the report.

Mr MILTON—No, he has not read the report, as my honourable colleague mentions. I have noted that Mr Justice Hope has suggested that critical views of ASIO are very much in the minority. However, as I have just pointed out to the honourable member for Gippsland (Mr McGauran), Mr Justice Hope also admitted that some of the criticism are justified. It is true that I, and possibly others, did not take into account the limitation on the definition of 'subversion' that had been pointed out by the Security Appeals Tribunal. However, I am pleased to see that Justice Hope agreed that the definition should be tightened and clarified and that the Government has accepted his view, as indicated by the amendments contained in clause 3 of the present Bill. It is particularly gratifying to note that clause 8 amends section 17 of the principal Act by adding a new section 17 which recognises the right of persons to engage in lawful advocacy, protest or dissent. Let us hope that it never becomes unlawful to protest and dissent against monopoly capitalism or any other system which exploits the Australian people.

Justice Hope stated in his final December 1984 report that there has been a large infusion of new, better qualified staff into ASIO since the

1977 Royal Commission on Intelligence and Security report was published. He also stated that the new staff does not have the rather fixed mind set of the staff members involved in the organisation prior to 1977. By 'fixed mind set', I presume His Honour refers to the overwhelming suspicion which is obviously held by ASIO staff that the political activities of all those people who question the existing political and economic system in Australia are subversive activities. I can only hope that the discussion and debate which Justice Hope has reported goes on among ASIO staff about what they should be doing or are doing includes a recognition that those political activists, such as myself, who are happy to be described as socialists are—(*Quorum formed*) I am glad to see all the members on this side of the House present and to point out to those people who will read this speech that all that the Opposition members are interested in doing is wasting time. They do not want to participate in this debate. It is to be noted that only four Opposition members are present in the chamber.

Mr Scott—Three-and-a-half.

Mr MILTON—Three-and-a-half, as my colleague points out. I repeat what I said before: Those political activists, such as myself, who are happy to be described as socialists are in fact not attempting to overthrow the Commonwealth or State governments by violence. Nevertheless, honourable members will be aware from speeches in this House that we are attempting to change the social fabric of society by democratic means, to bring about a more equal distribution of economic resources for the benefit of the poor and the disadvantaged. It is perhaps doubtful that socialists could be described as holding the liberal democratic values attributed to ASIO staff by Justice Hope in his report; but we do believe in democracy and individual liberties, so long as such concepts are not used to perpetuate the existing division of wealth and power in Australia.

I notice that Justice Hope did not dismiss out of hand the view that security intelligence functions could be transferred to the Australian Federal Police Force, perhaps at some future date. In the meantime, members of the Parliament who have been critical of past activities of the ASIO staff will be relying on the Parliamentary Joint Committee on the Australian Security Intelligence Organisation which will, as clause 39 of this Bill indicates, review aspects of the activities of the Organisation which are referred to the Committee by either the Minister or a House of the Parliament. I hope that there will not be any unwritten restriction or qualification on who

will be the seven members of the Parliament who will be nominated by the Leader of the Government in the Senate or the Prime Minister.

I make these comments because I am concerned that, if a member of the Parliament has been strongly critical of ASIO or has not had legal training, that member may not be considered for membership of the Committee. It seems to me that the foremost prerequisite for Committee members would be a critical perception of ASIO and security intelligence in general, rather than an expert knowledge of the law. The problem with people who have been members of the legal profession, the police or security forces is that they have a predilection to conservatism, based on training in a legal system enshrining precedence and the sanctity of private property, above all else. Let me hasten to add that I am not claiming that all lawyers or police officers are necessarily conservative.

Mr Duncan—Hear, hear!

Mr MILTON—Members of the legal profession on this side of the House, such as my friend the honourable member for Makin (Mr Duncan), have frequently in their speeches rejected conservative values which enshrine power and privilege. Another concern I have is that the functions of the Committee as set out in clause 30 of the Bill appear to me to be unnecessarily restrictive. I refer in particular to the items which are excluded from the functions of the Committee which are specified in clause 39 of the Bill as:

reviewing a matter, including a matter that relates to intelligence collection methods or sources of information, that is operationally sensitive;

And:

originating inquiries into individual complaints concerning the activities of the Organisation.

What these exclusions amount to is that the Committee will be unable, for example, to review a case such as that which involved the surveillance of David Combe by ASIO in the first part of 1983. In that particular case Justice Hope in the Royal Commission report of December 1983 recommended that ASIO needed to review its practices and procedures in relation to possible errors in the reporting of such matters to the Minister and the need for the establishment of an independent body to which an Australian citizen might have redress. In this respect I am not convinced that the Security Appeals Tribunal or the newly created inspector-General envisaged under the present legislation can be considered sufficiently independent and impartial to give the same consideration to

the political and civil rights of Australian citizens as would a Parliamentary Committee.

I am also concerned that, by preventing the parliamentary Committee from reviewing matters which ASIO defines as operationally sensitive, it will be possible to ensure that the Committee does not have the opportunity to look at matters affecting the political and civil rights of Australian citizens. I do not wish to be seen as carping as I do believe that there has been a genuine attempt to involve the Parliament in the oversight and accountability measures in relation to the operations of ASIO. Nonetheless—and I want to emphasise the point—the overall problem, as I have indicated on a number of occasions in this House, is the excessive secrecy which surrounds all the operations of ASIO. It is a problem which pervades many other areas of government, but it is particularly noticeable in the fields of defence, foreign affairs and intelligence security matters. Members of the Parliament can obtain far more information about our foreign affairs and defence relationships from the proceedings of the United States congressional committees and papers submitted to members of the Congress than we can ever obtain from our own Government in Australia.

Mr Scott—That is right.

Mr MILTON—My honourable colleague acknowledges the truth of that. Whilst I appreciate that there are some matters which are vital to the security of Australia and which should be available to only a limited number of people, I believe that it is a most unhealthy state of affairs when members of this Parliament are denied access to information about defence, foreign affairs and security matters which is available to parliamentarians overseas. I hope that all the Ministers involved in these areas of government policy will reconsider their attitude on the restriction of information to members of the public, particularly to parliamentarians. Parliamentarians have a special role as they are elected to represent the interests of their constituents. They cannot do their job effectively if they are prevented from obtaining essential information.

In this respect I am referring not only to our defence establishments and foreign affairs but also to Cabinet deliberations. In respect of these matters, I note from the comments of the honourable member for North Sydney, who preceded me in this debate, that the Opposition side of the House is in favour of more secrecy, not less. I am not expecting that the Government

will change the provisions of the legislation while it is before the House, but I do expect the Government to ensure that ASIO will not be permitted to define as operationally sensitive an excessive number of matters which might normally be reviewed by the parliamentary committee. I would also like to be assured that if a class of individuals is under surveillance in a way that could breach their civil rights. A complaint could be lodged with the parliamentary committee on behalf of that class of individuals. (*Quorum formed*) I do not wish to unfairly label any particular class of citizen, but it should be obvious that I am referring to members of political and religious groups which might, because of unorthodox actions and views be considered a possible threat to our security. Such people should, in my view, be able to appeal to the parliamentary committee rather than the Security Appeals Tribunal or the Inspector-General. I have expressed my concerns on a number of matters relating to the Bills before the House. I hope that the Attorney-General (Mr Lionel Bowen) can assure me that my concerns will be taken into account by both the Government and officers of the Australian Security Intelligence Organisation. In the few moments I have left I take the opportunity to protest at the restrictions imposed on free speech by the Opposition by the device of calling quorums.

Mr DEPUTY SPEAKER (Mr Ruddock)—Order! The honourable member's time has expired.

Mr N. A. BROWN (Menzies) (5.43)—Nikolai Gogol's play *The Inspector General*, written in 1836, has been regarded by many commentators as being a comedy. I imagine when the Soviet Embassy officials in this city obtained a copy of the legislation that we are debating today they probably felt that they were reading in this legislation an English translation of that play, because it is hard to regard the proposals contained in this legislation as serious ones. They are, for the most part, utterly ludicrous. They are absurd and will impose upon the security services of this country such severe restrictions that we might as well abolish them here and now and be done with it because they will be neutralised—if I may use a word fashionable in some quarters—as a result of the restrictions imposed upon their activities by the pieces of legislation we are presently debating. For my part, I must confess that I approach the Inspector-General of Intelligence and Security Bill, the Australian Security Intelligence Organisation Amendment Bill and Intelligence and Security (Consequential Amendments) Bill with some-

thing of a bias, because I would not trust the Australian Labor Party as far as I could kick it so far as its having anything to do with the security services of this country is concerned.

There is no doubt that the Bills are politically motivated with the intention of neutralising the security services of this country and making them as ineffective as possible. If the Bills pass, they will be, to some extent, successful in this intention. The principal defect of the Bills is in their very existence. I ask myself why the Bills are being brought before this Parliament at all. Why is it that this legislation is here at all? Is it because the Hope Royal Commission on Australia's Security and Intelligence Agencies, after its investigations, demonstrated that there was an overriding need for legislation of this sort? Is it because, after investigating the intelligence services of this country, Mr Justice Hope came to the conclusion that they were excessive in their zeal, illegal, or behaving improperly to the extent that they needed continuous supervision of the sort proposed in this legislation? Of course not! If one looks at the Hope Commission report one sees that the security services of this country were given a clean bill of health and, indeed, were praised by Mr Justice Hope. Let us look briefly at what he said about the Australian Security Intelligence Organisation:

Perhaps one of the greatest changes that I have found in ASIO is in the degree of its concern for compliance with the requirements of the law and of propriety.

He continued:

ASIO has been concerned to ensure that its operations and actions are within its charter, The Australian Security Intelligence Organization Act 1979 (ASIO Act), since the Act came into force, whether in relation to the collection or communication of intelligence or to advice to the Ministers and Commonwealth authorities. It has been—

and it is wise that we remember what the judge said—

substantially successful in achieving that goal.

There was very little, if anything, in ASIO's activities that Mr Justice Hope found to criticise. He went on to speak about the Australian Secret Intelligence, another organisation, and referred, of course, to the famous Sheraton Hotel incident, which he said was an aberration. He went on to say that firm and clear steps had been taken—that is to say, they had already been taken by the time he was reporting—to ensure that no such incident will happen again. He went on to deal with the Defence Signals Directorate and said that neither in the former report into security, nor in that inquiry, had he found evidence supporting any of allegations that had

been raised against that organisation. He went on to say in respect of ASIS that its effectiveness and efficiency appeared to have been growing 'over the decade'. He then went on to say the following in respect of the Office of National Assessments:

Although it is a relatively small body, ONA has been able to establish its independence and authority, and it has done this by the quality of the work which it produces.

He continued, in relation to the Joint Intelligence Organisation:

JIO has adjusted well to the changes it had to make, and it handles a vast amount of intelligence and issues assessments and reports, many of which are of a high standard. Its products is well regarded by those who receive it.

He concluded by saying with respect to the intelligence services in their entirety that he was satisfied that Australia's investment in its intelligence services was well justified. What we say about that is that, first, there is no need for this legislation; and secondly, if there is a need for some supervision over and above the bodies we are concerned with, that can well be done by judicial audit of the sort that we have become accustomed to in Australia. It is worth while having that sort of investigation, examination and audit, as the Hope Royal Commission showed. However, it is not worth while and it is utterly destructive of the efficiency of intelligence and security organisations to tie them up, to restrict them and to subject them to all the review processes and double guessing and raking over decisions they have made which are set out and proposed in the legislation we have before us.

It is for those reasons that we oppose this legislation. The legislation will excessively and wrongly restrict the activities of the organisations and this country will suffer as a result and so will its citizens and their democratic rights. It should not be forgotten that security organisations exist in a democracy such as Australia to protect the democratic foundations of the country from those within the country and outside it who want to destroy those democratic foundations and principles. The more we restrict and restrain an intelligence and security organisation, as this Government is proposing to do, in response to left wing pressure within the Australian Labor Party, the more we hamstring and restrict the effectiveness of an organisation in its surveillance and other security activities which, I repeat, are designed to protect the citizens of this country and to protect their democratic institutions. There are forces at work within this

country and overseas that would seek to destroy those democratic foundations and the rights and liberties we have, living in a democratic country. Those forces would continue untrammelled if it had not been for the efficient work and the effective operations of our security organisations.

Let us look at the principal defect of these Bills which, so far as ASIO is concerned, is to restrict it in the performance of its functions. The Bills limit its powers, hedge it around with qualifications and limitations which proceed, as I apprehend it, on the assumption that ASIO's work is in some way or other improper or undesirable or that it must be limited. The legislation also proceeds on the assumption that ASIO cannot be trusted, that its employees cannot be trusted, and therefore that it must be subjected to review and second guessing, and that its employees must also be subjected to second guessing. If any message is contained in this legislation it must be a message from this Government to the employees and officers of ASIO that this Government does not trust them. If it did trust them, why is it necessary to set up this enormous bureaucratic structure to second guess them and to review virtually all their activities?

I regard all the changes proposed in these Bills as undesirable, and they are undesirable for several reasons. In the first place their very laying down of the qualifications to which I have just referred must first of all undermine public confidence in ASIO and public confidence in it is needed if it is to perform its function of combating those forces which seek to undermine our democratic society. Secondly, it must be very obvious that the morale of the organisation and its officers must suffer when it is apparent that the Government has so little confidence in it that it must set up watchdogs. Thirdly, the efficiency of the organisation must suffer when it is made to work with so many restraints and encumbrances and, in effect, with one hand tied behind its back. It will be diverted from its real work by a preoccupation with administration and with preparing the ground for the inevitable challenges and reviews of its activities which the Government is virtually inviting to be made. The effort of ASIO will be directed to preparing the ground for the inevitable reviews, examinations and second guessing.

I put it to the House that either we have confidence in our security organisations or we do not. I for one do have that confidence in them and I believe, and the Opposition believes very firmly, that they should be allowed to get on with the job. If there is a necessity to exam-

ine from outside the activities and operations of the organisations, particularly ASIO, let that be done by a judicial audit from time to time—every three years, five years or whenever—but in the meantime let them get on with their job.

The most severe limitations on the functions of ASIO are those set out in clause 8 of the Inspector-General of Intelligence and Security Bill. In our submission, the very notion of having an Inspector-General to second guess an intelligence agency is utterly absurd and it is a severe restriction on its effectiveness. The powers to be given to the Inspector-General will negate a lot of the effectiveness of ASIO and its activities. Honourable members should realise that the Inspector-General, believe it or not, will be given the power to investigate the propriety of ASIO's activities if he receives a complaint. That is utterly laughable. The only test of a security organisation is whether it is effective, not whether it is proper. The idea of having an Inspector-General, or anybody else, looking over the shoulder of ASIO or any other intelligence organisation and asking it from time to time whether what it has done is proper, looking at the propriety of what it has done, is ludicrous. It is utterly ludicrous to give that power to a person such as the Inspector-General or anybody else. It is not just that he will be given power to examine the propriety of ASIO's organisations; he will be given a wider power to examine whether ASIO's procedures are appropriate, and that is equally ludicrous. To cap it all, he will be given power to look into whether any of ASIO's activities are contrary to human rights when those activities are referred to him by the Human Rights Commission. It must be apparent that by now that discredited body would not recognise a human right if it fell over one. The idea of giving any powers of this or any other sort to that utterly discredited body is completely ludicrous.

The Inspector-General will be given the ultimately absurd power to take a direction given by the Attorney-General to ASIO that the collection of intelligence on somebody is justified and then to examine it himself to see whether the collection of intelligence is justified. It is bad enough—we are utterly opposed to this—that the Attorney-General should be giving himself this power direct ASIO to do something and to examine whether intelligence should be collected on some particular person or organisation, but the Government then say: 'We will also give to the Inspector-General power to take that direction given by the Attorney-General, hold it up to the light, and before the operation is even

commenced, look at whether that direction given by the Attorney-General is justified'. What sort of gobbledegook is that? What will happen in the meantime? Where will the quarry be? Where will the sources be? Will people's lives not be in danger during that sort of delay? There has been no guarantee that the effectiveness of ASIO will not be severely compromised during that period. It is utterly absurd to say that a security organisation should stop in mid-course, having got a direction from the Attorney-General to conduct an investigation into a particular area, and subject itself to scrutiny by some outside body as to whether what it proposes to do is justified. It is ludicrous, it is absurd, and it has no basis or justification in reason or logic or national security. The House should not entertain for one moment restricting or restraining an intelligence organisation in that way.

The restraints on the proper workings of a security agency which are proposed by this piece of legislation are excessive, unjustified, and they can only weaken, if not destroy, the real value of an agency such as ASIO. We then get into the realms of the utterly ridiculous, the dreamland of the proposed Parliamentary Joint Committee on the Australian Security Intelligence Organization. It is not enough for the Government to give the Security Appeals Tribunal more powers; it is not enough to neutralise ASIO by defining the matters it can investigate; it is not enough to set up the position of Inspector-General to watch over the shoulder of ASIO and the other intelligence organisations. In addition we will now have a parliamentary committee. We are opposed to that. It would be a severe restriction on the organisation and its proper work. I for one have no guarantee, no satisfaction whatsoever, that there would not be a continuous stream of leaks from the parliamentary committee, as we have seen with the Joint Committee on the National Crime Authority, leaks which could affect people's lives and their security. As a result of this legislation ASIO will be concerned largely with terrorism, and when one is involved in that area one's physical security and indeed one's life is at risk.

Mr Hollis—Ha, Ha!

Mr N. A. BROWN—The honourable member laughs about that, and I suppose one could expect that.

Mr Hollis—Pathetic.

Mr N.A. BROWN—It is pathetic. What about the Central Intelligence Agency agents who have been assassinated? The honourable member says that it is pathetic. I suppose that he would. He

would probably want to restrict the powers of the organisations even more. He should tell that to the relatives of ASIO agents whose names and addresses have been given in public by people from the honourable member's party—the mad, crazy, Libyan left wing of his Party—whose interests are not those of this country and whose real allegiances lie in other quarters. The honourable member should tell that to them.

Mr Milton—Mr Deputy Speaker, I take a point of order. The honourable member said that members on this side of the House, in the Left, do not have the interests of Australia at heart. I ask that that remark be withdrawn.

Mr McGauran—You haven't You are traitors.

Mr N. A. BROWN—I will not withdraw it. I did not refer to honourable members on that side of the House. I said: 'Members of his Party'. If the honourable member wishes me to refer to him, I will, and then he can ask for the remark to be withdrawn.

Mr DEPUTY SPEAKER (Mr Ruddock)—Order! I ruled the other day that words of general application would, if they were offensive to a member, be withdrawn. In this instance the reference was to members of the Party in general and not to members of the parliamentary Party.

Mr Milton—Mr Deputy Speaker, the honourable member added to his comment and increased his crime by saying that if I wanted him to include me, he would. I ask that all these remarks be withdrawn.

Mr N. A. BROWN—I withdraw the remark with respect to the honourable member. I do not withdraw it with respect to members of his Party.

Mr Duncan—Mr Deputy Speaker, I take a point of order. In the middle of this altercation the honourable member for Gippsland clearly interjected: 'That's all you are, traitors'—indicating this side of the Parliament. I take great exception to that and ask that the comment be withdrawn.

Mr DEPUTY SPEAKER—I did not hear such words but I ask the honourable member for Gippsland whether such words were uttered and if so, will he withdraw?

Mr McGauran—I withdraw.

Mr N. A. BROWN—There are people whose conduct with respect to this debate on security services and whose behaviour in saying what they have give one very grave doubt about whether they are loyal to this country. That must certainly be true. So far as the proposed

parliamentary committee is concerned, it will utterly, excessively, unfairly and improperly restrict the activities of ASIO and has nothing to commend it. The Parliamentary Committee on the National Crime Authority has been a failure as will be this committee. If this committee is formed, it will do great damage to the Australian Security Intelligence Organisation.

The final point I wish to make is that there is a campaign, particularly from the left wing of the Australian Labor Party, of denigration of our security services and those who work in them—the organisations and their activities. This has gone to extremes. It did so in the case of ASIS. Mr Justice Hope said that the operation at Sheraton Hotel was an aberration. Probably it was an aberration, but it seems to me that Mr John Ryan, the Acting Director-General, was unfairly and improperly dealt with. He was dropped by this Government and crucified, and his whole career of public service was ignored because of one incident. He was dealt with extremely unfairly and improperly and received no support, nor was any recognition given to his distinguished contribution to the public life of this country. That is simply one more example of the denigration of our security organisations coming continually from the Labor Party. It is time that people realised that this is going on. Those opposite denigrate these organisations. They have no concept whatsoever of the important role the organisations play in preserving democratic society. It is time those opposite woke up to themselves.

Mr DEPUTY SPEAKER—Order! The honourable member's time has expired.

Mr DUNCAN (Makin) (6.04)—I was interested to listen to the contribution by the Deputy Leader of the Liberal Party (Mr N. A. Brown). It was a strange, rather incongruous speech, because under normal circumstances what we hear from the honourable member in particular is the need for public accountability to ensure that we are getting value for the taxpayer's dollar, that the Parliament is conducting itself in a way that keeps the government of the day under effective management and control and that government agencies are properly supervised by the Government and the Parliament. Yet when we come to the issue of security services, the Australian Security Intelligence Organisation and other organisations, those opposite do not want any parliamentary responsibility. They want to say to the people in the community: 'No, this matter is the responsibility of some authority higher than even the Parliament'. That higher authority

is never quite defined, but they do not want the elected officials, the parliamentarians, to have any say in the way our security services are run. I find that a very strange concept coming from somebody who claims to be a democrat.

I say unashamedly that I am on the side of having the elected officials, the parliamentarians, in control of the Government—that means the whole of the Government of this country. That is the only proper and principled way that we should go about governing this country if we are democrats. We cannot have it both ways. Either we are democrats and we believe in the parliamentary system, as I do, or people who are not democrats and do not believe in the parliamentary system. It has always seemed to me to be very strange that such people insist that we should cop the need for security forces as an article of blind faith. They do not want any questioning of the activities of the security services. They do not want people in this Parliament to have the opportunity to review the activities of security services for the people we represent—constituents in our electorates and the taxpayers of this nation.

I for one stand firmly on the side of the angels. In this case that means the democrats, the democratic people, who want to know what is going on in this country. I stand on the side of the taxpayers, who do not want to see their taxes used to spy on them going about the exercise of their lawful and democratic rights. We should support this legislation. It does not go far enough in what it seeks to do. When we look at the way that the security services over the past five years or maybe a little longer have been reviewed on occasions by judges and others who have had the opportunity to comment on the security agencies' activities in public—from a position of knowledge for a change, and not from the position of secrecy under which agencies have generally had the advantage—we can see quite clearly an example of an area of public responsibility and public service that has been completely out of control. We need to look only at the report brought down by Mr Justice White in South Australia to see the sorts of things that security services were getting up to until a few short years ago.

Mr McGauran—Here we go.

Mr DUNCAN—The honourable member does not like hearing this. This is the only example of a person completely independent of the security club having a thoroughly good look at the activities of one of these organisations. He found that there were files on one in ten of all

adults in South Australia—a disgraceful, scandalous situation. I defy any honourable member opposite to challenge the veracity of that statement. One in ten South Australians were subjects of security files by the South Australian special branches. This was in South Australia, which is hardly seen around the nation as being a police State. When it looked as if the Victorian special branch would be subjected to a similar auditing process, it burned all the files—hardly surprising. Mr Justice White found—as many people know, but it is worth reminding them—that there were many thousands of files, the so-called pink files, on homosexuals. What in the hell were the security police in South Australia doing keeping files on homosexuals in that State? Mr Justice White also said about the files that he believed from his own knowledge that much of the material was scandalously inaccurate. That is the sort of thing that was being collected on the Special Branch files in South Australia. We do not know what is on the Special Branch files in the other police forces of the nation. We do not know what is on ASIO's files because, of course, ASIO's files as such have never been subjected to the sort of review that Mr Justice White conducted.

I want simply to answer a couple of points that have been made by honourable members opposite. I say to this House that ASIO has never caught a spy in the history of the Organisation.

Mr McGauran—What was Ivanov?

Mr DUNCAN—Thank you. I knew there would be one fool from the other side who would come in because of his ignorance and knowledge—

Mr McGauran—What about Ivanov?

Mr DUNCAN—I will get to Ivanov. Mr Ivanov was a colonel or a major in the KGB—

Mr McGauran—But he wasn't a spy?

Mr DUNCAN—The question is: Did ASIO catch him? ASIO did not catch him. He was exposed by another KGB agent who defected to the CIA or one of the other American security agencies. His name was given to the Australian Security Intelligence Organisation as a result of that defection. Ivanov could have gone on for years if he had been left to ASIO's incompetent activities. I throw out this challenge to honourable members opposite: Let them name one spy whom ASIO has caught since its establishment in 1949, 1951 or whenever it was.

Mr Kent—Not one conviction.

Mr DUNCAN—There has been not one conviction of a spy. I want to deal with a couple of other things. Mr Justice Hope described the Sheraton Hotel incident as an aberration. All one can say about that is that it is the only aberration that has come to light. The secrecy provisions mean that we as members of this Parliament do not know about the other aberrations that have occurred.

We do know of one aberration as a result of information that came to hand. That was the way in which so-called immigration officers of the Government in 1974, who turned out later to be agents of the Australian Security Intelligence Service, took over spying and assistance in destabilising the elected Allende Government of Chile. We do know about that and we do know that they were undertaking that activity in breach of the laws of at that time a fiendly country and in breach of the charter granted to them, certainly by this Parliament. That activity was undertaken not with the knowledge of the then Minister for Immigration, not with the knowledge of the Cabinet at the time and not even with the knowledge of the then Prime Minister, according to him subsequently. But these activities were being undertaken by Australian security operatives from ASIS. That situation is absolutely scandalous. It provides plenty of ammunition and evidence as to why we need this legislation. Thank goodness we finally have the opportunity to bring this legislation before the Parliament.

I have well-known views on the role of and the need for domestic security forces such as ASIO, and I have been on the—

Mr Spender—Yes, don't have them; that's your point of view.

Mr DUNCAN—I will get to that in a moment. I have been on the receiving end of some of their work. I make no secret of my distaste for the way in which ASIO has operated in the past and the way in which it has attempted to circumvent and circumscribe the democratic processes of this country. There is no doubt about that. In particular I received a fair amount of ASIO exposure during the Combe-Ivanov affair. I was one of those people whose telephone conversations with David Combe were tapped and made public. It was a telephone call that had absolutely nothing to do with ASIO and absolutely nothing to do with security—or for that matter to do with anyone other than David Combe and me. Along with the honourable member for Kooyong (Mr Peacock) I was one of those people who were threatened with court

proceedings as a result of perfectly proper questioning of the role and function of ASIO, of legitimate dissent and for undertaking a role that I believe I was elected to play as a member at that time of the South Australian Parliament. Fortunately, the Government came to its senses and did not proceed with the prosecution of the honourable member opposite, who was at that time undertaking the role that he had been elected to perform, as Leader of the Opposition, in subjecting the government of the day to scrutiny and criticism on matters of public importance. I might say that it was a job that he performed far better than does the current incumbent of that position. In my case the reporting to the South Australian Parliament, of which I was then a member, of the role of one Laurie Matheson as an ASIO informant and agent provocateur required a Senate select committee to uphold the notion of parliamentary privilege before I was assured of not being prosecuted.

In the time since its establishment ASIO has had absolutely no check on the exercise of its power on a day to day basis. It has always been able to hide behind the cloak of national security in any attempt to question it or to review its role and functions. There is no real way of knowing what information is held on any member of the Australian public, members of this Parliament included. If any attempt is made through the proper channels to find out this sort of information, ASIO is able to hide behind the label of operational sensitive material and thus deny access. I have still not seen any persuasive argument as to why we require security police such as ASIO with its history of bumbling and incompetence. I am prepared to admit that there may be a need for intelligence analysis by an organisation under the control of the Parliament to give assessment and advice. I make it clear to honourable members opposite that I certainly have no objection to a counter-intelligence function being undertaken by an arm of the Government. I suggest that we certainly do need such an organisation because of the cold war mentality which is constantly foisted on our society at present.

I am reminded of the comments that were made by the honourable member for North Sydney (Mr Spender) that honourable members on this side seem to have some dislike of the CIA. There was an implication in what he was saying that we have no objection to the KGB. I find it very irritating to have to say this, but I object as strongly to the activities of the KGB as to the activities of the CIA. I say to him that, with the cold war situation that exists at the moment,

sadly and unfortunately the United States and the Soviet Union both feel that they need to have such an activity. But I believe that it is a sad thing that the honourable member and others believe that the activities of the security forces in this country should not be subjected to scrutiny by the elected members of this House, by the people whom the democratic and freedom supporting sections of this community elected to come here to represent them. I find that a very objectionable notion and I reject it entirely. But I want to make it clear to the honourable member that I have no love for either the CIA or the KGB. My pie in the sky dream is that both of them will go away and stop interfering in the activities of this country.

Mr Spender—You are extraordinary. You are putting the CIA and the United States in the same basket as the KGB and the Soviet Union.

Mr DUNCAN—The honourable member for North Sydney is that he wraps himself in a flag, but the sad thing is that it is the stars and stripes rather than the flag of this country.

Mr Spender—Where are you aligned now—one foot on the hammer and sickle?

Mr DUNCAN—My position very clearly is under the Australian flag. Any analysis of ASIO must lead to an understanding of just how tenuous a grip its operatives and management have on the realm of fact and logic and on the notions of a democratic society on which we on this side of the House pride ourselves. The existence of a security service, some, or all of the functions of which lie outside direct scrutiny of the parliament, calls into question important and fundamental issues of great constitutional significance for our democratic procedures. It calls into question the very notion of the overriding sovereignty of the Parliament, as the expression of the will of the people, and the trustworthiness of those who are elected to this place to undertake the solemn responsibilities that we have been given.

I am on record elsewhere as having advocated the abolition of ASIO. I do not really see the possibility of a successful set of reforms. However, the Government has decided that an attempt should be made to reform the Organisation and drag it reluctantly into the democratic world. It is a decision with which I concur but with which I have some difficulty, because it does not go far enough. (*Quorum formed*) The two most important aspects of this legislation are its attempt to institute some sort of review and appeal procedures in relation to the security services and its attempt to a limited extent to establish the sovereignty of the Parliament over those

services. We shall have to wait and see whether they are successful. I do not hold out all that much hope but I am prepared, as I have said, to give it a try. The Inspector-General, who is to be appointed, will have the power to accept complaints or investigations from the Minister, from individuals, from employees and from the Human Rights and Equal Opportunity Commission. If the Inspector-General is able to act unfettered in the role of an ombudsman, this could well prove to be a reform of some significance. The Office of the Inspector-General will be in a position to make informed judgments in relation to the security forces, particular ASIO, to ensure that they do not operate outside the law, that they take proper note of the human rights and industrial rights, and that they comply generally with directions from the relevant Minister. The establishment of a parliamentary committee might promote the concept of the sovereignty of the Parliament over the security forces, although its own effectiveness has been severely limited by the number and breadth of exclusions included in the legislation. Nonetheless, if we are to embark on the reform of ASIO rather than its abolition and replacement with another agency, this is a necessary prerequisite.

I support this package of legislation even if I believe that it is inadequate to address all the real problems which the very existence of ASIO presents to us as a Parliament and as a democratic society. It is clearly a case of a step in the right direction, though in my view more of a hesitant shuffle than a bold pace.

Mr DEPUTY SPEAKER (Mr Ruddock)—Order! The honourable member's time has expired.

Mr McGAURAN (Gippsland) (6.24)—The legislation before the Parliament this evening spells the death knell of the Australian Security Intelligence Organisation. In many ways it is academic because ASIO has been disorientated and stripped of its proper functions over a period of years, commencing with that notorious, infamous and never to be forgotten raid in 1973 by the Attorney-General, Lionel Murphy, and continuing through succeeding years. The deterioration continued with Mr Justice Hope's Royal Commission on Intelligence and Security from 1973 to 1977 and the events that followed, including the public abandoning of ASIO by the Government following the Combe-Ivanov affair. So it is in many ways an academic question. After all what is left of ASIO under this Government?

This legislation is the payback, this is the evening up by member of the socialist Left for the Combe-Ivanov affair. This is their revenge, their attempt to drive the last nail into the coffin of ASIO. If any member of the Opposition had ascribed the attacks by Government members on ASIO to naivete of inexperience, the contributions by the honourable members for La Trobe (Mr Milton) and the honourable member for Makin (Mr Duncan) would have dispelled that generosity. The honourable member for La Trobe mentioned monopoly capitalism several times. He spoke of his values of socialism conflicting with the liberal democratic values held by ASIO. He turned the discussion of the powers and the existence of ASIO into one about class warfare. He gave vent to his ideological perversities. The honourable member for La Trobe made it absolutely clear that he considers ASIO to be some sort of tool of a capitalistic society which seeks to infringe upon his dearly held values of socialism.

The honourable member for Makin went even further. He ridiculed ASIO. He said that there is no need for ASIO but that, instead, what we needed is some mythical body under the control of Parliament. What shape or form of national security agency could take under the umbrella of the Parliament the honourable member for Makin failed to specify. He admitted however, that we need a counter-intelligence organisation. Again, he gave us no indication of what he meant by that, except that it must be under the control of the Parliament. The point is that ASIO is already under the control of the Parliament, the elected representatives of this nation, in the office of the Attorney-General (Mr Lionel Bowen). The Attorney-General is answerable to the Parliament to the elected representatives. Yet the honourable member for La Trobe and the honourable member for Makin, and no doubt their socialist colleagues who will follow them, are intent on trying to persuade us that in some way ASIO is not answerable to the government of the day. The honourable member for Makin went so far as to accuse ASIO of having circumvented and circumscribed the democratic processes of this country.

Let us make it very clear: No responsible member of this chamber would give a completely clean bill of health to any government agency or arm of government. After all, any part of government is a collection of human beings and therefore errors will occur, even excesses will occur, as they do in this Parliament, this chamber. No collection of human beings is free from error. Yet it appears that honourable

members on the Government side will seize on mistakes made over the years by ASIO and argue that as a result of those mistakes ASIO ought to be disbanded. Obviously that is not possible to achieve in their Caucus, so they take the next best step; that is, to strip ASIO of any powers that it ceases to be relevant. Let us make no mistake about it: ASIO is no longer relevant, has no enforceable powers and has been rendered totally useless by this Government. This legislation is simply the final straw.

ASIO is being further weakened by administrative actions of this Government, such as the reductions in its staffing at our immigration offices overseas and the transfer of its headquarters from Melbourne to Canberra. The stupidity of integrating ASIO into the Public Service in Canberra amazes me. How the security agency of this country can be made part of this removed, almost unreal, world of Canberra is beyond me. We understand from public reports that only 10 per cent of ASIO's staff, some 30 in number, will make the move to Canberra.

Sitting suspended from 6.30 to 8 p.m.

Mr McGAURAN—Prior to the suspension of the sitting for dinner I made the point that the previous Government speakers in this debate, the honourable member for La Trobe and the honourable member for Makin—and no doubt the honourable member for Hotham (Mr Kent) who is immediately to follow me will do likewise—gave full vent to their paranoia about ASIO. The legislation before the House tonight is not so much an attempt by the rabble of left wing, ideologically paranoid members to weaken ASIO as to finish off ASIO.

Mr Kent—On a point of order, Madam Speaker: I object to being called left wing paranoid rabble.

Madam SPEAKER—The honourable member for Gippsland will withdraw the comment, which was found offensive.

Mr McGAURAN—The honourable member for Hotham must have a low tolerance. I withdraw the words, should he find them offensive. ASIO has been weakened by a succession of decisions, sadly, over too many years. Let me make the point that it is incumbent upon this Government to ensure that we have in place a strong security organisation to investigate and report on legitimate threats to this country's security. Quite frankly, if not before this legislation passes the Parliament then certainly after it passes the Parliament, ASIO will be unable to perform that role.

Let us consider the legislation: It has two principal parts. The first part is to establish a parliamentary committee to oversee the functions and responsibilities of ASIO. The second part is to establish the office of an Inspector-General who will be not to put too fine a point on it, a de facto ombudsman. Let us consider first the parliamentary committee. It is important to realise that Justice Hope in his report on the workings of ASIO upon which this Government has placed such reliance, expressly ruled out the concept of a parliamentary committee. The American experience of a Congress committee established in the mid-1970s to oversee the Central Intelligence Agency has been thoroughly discredited in that country. The weakening of the Central Intelligence Agency is directly attributable—this is quite without argument from any of the commentators or experts in the field—to the leaking from that Congress committee.

We are delving into the realms of the ridiculous if we believe that a parliamentary committee, with all its associated staff and the natural turnover of members, let alone staff, can guarantee the same security and accountability the Attorney-General can guarantee. Not one Government member has yet hurdled the first threshold point that there is already in place proper accountability for ASIO in the form of both the Attorney-General and judicial audits. Is it really the argument of the Government that audit by a judge on a basis known to the Attorney-General is not a sufficiently practical procedure on which to review the conduct, functions and operations of ASIO?

Under the legislation the parliamentary committee and its staff will have access to a number of previously secret ASIO workings as to documents, as to staffing and even as to operations. This worries me enormously because I am a member of the parliamentary committee established to oversee the National Crime Authority. The Joint Committee on the *National Crime Authority* has been characterised by self-promotion by a senior figure of the Committee as well as by leaks. Madam Speaker, you will recall that last November, when the Committee was to table its first report to the Parliament, the details of that report appeared in the morning newspapers. Moreover, no sooner does one walk out of the National Crime Authority Committee's meetings with members of the National Crime Authority than one is reading about the alleged conflict or difficulties that exist between the Committee and the Authority in the afternoon news papers. It is my experience as a member of the National Crime Authority Com-

mittee of this Parliament that there is absolutely no chance whatever of restraining self-serving Government members who, on an ideological bent, will undermine the security agencies of this country. We must also be aware that, under the present system, ASIO reports to an elected official of this country in the person of the Attorney-General. That is very different from the situation in America where, Madam Speaker, you would know that a parliamentary committee system has been established to oversee the intelligence community. That system is very different because the intelligence community does not report to a parliament but to that committee.

The second aspect of this legislation—the second limb, if you like—that causes concern to the Opposition is the extensive powers over ASIO given to the Inspector-General. As I say, the Inspector-General is nothing more and nothing less than an ombudsman. His powers pursuant to clause 8 of the Inspector-General of Intelligence and Security Bill are wide-sweeping and all-encompassing. He is able to inquire into the compliance by ASIO with the laws of the Commonwealth, States and Territories. He may inquire further into the propriety of particular activities of ASIO. Indeed, the Inspector-General may inquire into any act or practice of ASIO that is, or may be, inconsistent with or contrary to any human right, being an act or practice referred to the Inspector-General by the Human Rights Commission. Again, the Human Rights Commission gets a guernsey. It seems that the tentacles of that body spread further and further with each passing month of this Government's administration. If we are not to have confidence in a parliamentary committee's relations with ASIO, it is quite certain that we can be even less confident of the Human Rights Commission maintaining a proper, balanced and confidential relationship with the Inspector-General.

The shadow Attorney-General, the honourable member for North Sydney (Mr Spender), has moved an amendment to delete from clause 8 the ability for the Inspector-General to act on a referral to him from the Human Rights Commission. That is something we support. It is, however, my firm conviction that this legislation is unnecessary, that it weakens ASIO, and that it will leave an indelible weakness on the security apparatus of this country, for no reason other than to give flight to the fanciest whims of the left wing of the Australian Labor Party. If there is any doubting that allegation, I suggest that the contributions of the honourable member for La Trobe and the honourable member for Makin be taken into account. The honourable

member for La Trobe turned the debate into one of class warfare and more or less accused ASIO of being some cold war, aristocratic agency bent on quashing the socialists of this country. The honourable member for Makin went so far as to say that ASIO was more or less subversive in the way it had flaunted, according to his allegation, the basic tenets of a democratic society.

The major concern of the Opposition is the maintenance of a strong and viable security organisation. It is the duty of the Government to do all that it can to ensure that ASIO is protected against the unfounded, unsubstantiated and wholly inaccurate accusations levelled at it by members of the Australian Labor Party.

I think that the Government is going to be put to the test soon enough on its commitment to ASIO and, on a larger scale, to the security apparatus of this country. Mr Philip Agee, a former Central Intelligence Agency employee, would be known to many members in this chamber as being responsible for the death of one and, at least allegedly, considerably more CIA agents following his publication of the name of 700 CIA agents, as well as their addresses. Mr Agee was a former employee of the Central Intelligence Agency. He left that organisation in 1968 and in 1975 he published a book called *Inside the Company: CIA Diary*, in which he revealed the names. It is reported that Mr Agee is going to apply for a visa to visit Australia later in the year because—it will be no surprise to any honourable member—he has been invited by New Zealand as well as Australian peace groups to visit Australian and New Zealand to discuss issues of mutual interest. That mutual interest is perhaps the publication, in the same way that Mrs Joan Coxedge of the Victorian Parliament listed, the names of ASIO agents in this country.

The Government will be put to the test. It is my strong belief that Mr Philip Agee is not entitled to visit this country. He is a traitor, he is a murderer and he poses a grave threat to the security of this country. I will be very interested to see just how the Government addresses any application for a visa by Mr Agee. This country does not have a responsibility to entertain people who in the past have been guilty of the most flagrant breaches of security—breaches that have led to the death of Government employees.

In summary, this legislation finishes off ASIO. Regrettably, ASIO's demise was started some time ago. Were it not for this legislation, whereby a parliamentary committee is set up and an

Inspector-General is appointed, it may have had some opportunity to resume a position of strength and effectiveness. Under this legislation, it has no hope. This Parliament has a very grave responsibility to protect the national security in the national interest. This Parliament has failed in that duty.

Mr KENT (Hotham) (8.13)—The honourable member for Gippsland (Mr McGauran), who preceded me, and other honourable members opposite, went to great lengths to try to say that the Inspector-General of Intelligence and Security Bill 1986, the Australian Security Intelligence Organization Amendment Bill 1986 and the Intelligence and Security (Consequential Amendments) Bill 1986 are going to finish off the Australian Security Intelligence Organisation. Let me assure them that these Bills will not finish off ASIO, but they will finish off ASIO being used by successive reactionary governments to stifle political debate in this country. That is what those governments in the past used ASIO for. That is what the honourable member for Gippsland is insinuating the Opposition is going to use ASIO for if it ever becomes the Government.

It is a characteristic of a bureaucracy that once it is established, it takes off and assumes a life of its own. It is extremely virile, and it is quick to start its filing systems and dossiers. Once established, a bureaucracy tends to be indispensable and independent to the point of rejecting outside control. It develops internally into a formal, social organisation whose personnel defend its entrenched interests and view its existence per se—which, for it, is more important than providing assistance to its clientele or its higher elected officials, including the relevant Minister. Bureaucracy was aptly described by American sociologist Robert King Merton, who said:

Bureaucracy is administration which almost completely avoids public discussion of its techniques, although there may occur public discussion of its policies. This secret is confined neither to public nor private bureaucracies. It is held to be necessary to keep valuable information from private economic competitors or from foreign and potentially hostile groups.

If this description of bureaucracy applies to private and public administration, it applies even more to the bureaucracy of spooks. ASIO was set up in 1949 and it did not take it long to assume all the characteristics of a bureaucracy. Being a secret intelligence organisation, it became more of a force than bureaucracies usually tend to become. Soon after its establishment, ASIO started busily to accumulate dossiers, and

in the context of the Cold War it found a favourable climate of distrust, sown in the Australian community by the conservative forces, for its secret operations of spying on Australians who did not conform to the reactionary ideals of successive conservative government.

ASIO shadowed subversive elements in our society, considering subversives to be all those who did not wrap themselves in the Australian flag and carry a photo of the Queen in their wallets. Of course, ASIO also considered subversive all those people who, through the trade union movement, had as their aim the improvement of the wages and conditions of their fellow workers. As time went on the term 'subversive' included all those who did not have orthodox views, such as women activists, feminists who fought for equality and Aborigines who fought for land rights, but its targets were especially those who opposed war, aggression and violence. I am very pleased that the term 'subversion' has been deleted from the definition of security. According to the second reading speech of the Attorney-General (Mr Lionel Bowen), relevant activities are more tightly defined and understood within the concept of politically motivated violence.

We can only hope—I do not put it any stronger than 'hope'—that ASIO will understand that it has been wasting its time and wasting the nation's money by keeping dossiers on and spying on people who activities did not go beyond lawful and public advocacy of dissent, although such dissent may not have been favourably looked upon by previous conservative governments. The term 'subversive', interpreted by the conservatives and by ASIO to mean trade unionists who wanted to improve the living standards of working Australians, did enormous harm and divided our community. (*Quorum formed*).

Let me put it this way: If ASIO considered 'subversive' those who were vocal in supporting actions against the Government and the bosses by workers who wanted to lift their living standards, will ASIO agents now consider 'subversive' those who advocate that action should be taken to halt wage rises and thereby reduce the living standards of the people? Of course they would not. Because of their very nature ASIO agents are only selectively suspicious, and never against the conservatives, who sold out this country more than once—on the last occasion in 1939 to the imperial Japanese. So much for their patriotism. It is timely that the Bill before us today provides for clarification of the key definition of 'security' and it does away with the term 'subversion'.

As I mentioned before, ASIO used the term 'subversion' to spy on Australian citizens and residents. Since its existence ASIO has not produced a single foreign spy leading to a conviction. It has always been especially fond of spying on migrants who came to settle in this country. It compiled dossiers and adverse reports on people such as Theo Sidoropoulos and John Sgro, who were, because of secret reports by ASIO pimps, denied the right to naturalisation for many years by the reactionary Menzies Government. I am happy to report to the House that both above-named gentlemen are today honourable members of the Victorian Parliament, doing a magnificent job for the ethnic communities in particular, and generally for all Victorians.

Of course, while ASIO spooks were busy spying on progressive migrants they somehow overlooked—or did they?—the arrival in Australia of former war criminals and their activities here. It is now common knowledge that a number of quisling former war criminals from war-time Hungary, Yugoslavia, the Baltics and the Ukraine came to Australia in the early 1950s as migrants under the assisted passage scheme. ASIO was so glad to have them that the Australian Government even paid their fares. While the Department of Immigration and Ethnic Affairs can be partly blamed for this, the main blame lies with ASIO, whose officers were paid to carry out the screening. Instead of screening prospective migrants about their Nazi and fascist or quisling past, they were worried only that someone with Marxist views could slip through their net. I suspect that, instead of preventing the entry of former killers and war criminals, ASIO was engaged in covering up their past and responding to the calls of British intelligence to take part in Operation Double Cross. Operation Double Cross had as its aim the removal of war criminals from Europe by farming them out to dominion countries.

So, it came about that, by 1951 or 1952, a number of former Nazi quisling killers—such as Megai, an Hungarian traitor; Srecko Rover, an Ustasha killer; Ljenko Urbancic, a Nazi propagandist and war criminal; and a number of others—arrived in Australia. They came here, fare paid and all, unhindered and unimpeded by our security organisation, ASIO, whose duty it was to keep those criminal bastards out. If anyone for a moment thinks that we are talking about some small-time crooks or pick-pockets, he or she is mistaken. We are talking about people who were involved in the cold blooded, face to face murder of thousands of innocent people. While I accept that the average Australian has

little knowledge of what went on in Nazi occupied countries of Europe during the Second World War, I expect that ASIO officers do know. If they do not know, they are not competent to be members of our intelligence or counter-intelligence organisation.

Take, for instance, the short biography of Srecko Rover: Born in Yugoslavia in 1920, joined the clandestine Ustasha organisation while attending high school in Sarajevo and gaoled in 1939 for terrorist conspiracy to assassinate King Peter of Yugoslavia. After Hitler's invasion of Yugoslavia, he was appointed, as a member of the Ustasha police, to one of the mobile courts set up by the Croat puppet fuhrer, Ante Pavelic. As a member of that court-martial, Rover sentenced hundreds to death. The death sentence was a part of the Ustasha program of extermination of Jews, Serbs, gypsies and Croats who opposed the Nazi occupation of Yugoslavia. The sentences were brought down after hearings which sometimes lasted only minutes. The death sentence, the only verdict, was carried out immediately. The maximum period between the verdict and execution was three hours. What a court, and what an organisation—the Ustasha that Rover belonged to.

The program of his believed fuhrer, Ante Pavelic, was clearly stated: 'Deport one third of Serbs, convert forcibly to catholicism another third and exterminate the remainder'. To the Jews and the gypsies, of course, no alternative was given. They were to be slaughtered by the Ustasha—and they were. Their throats were cut by Ustasha knives or their skulls were smashed by mallets, babies were smashed against walls or their skulls were kicked in by Ustasha boots. Mothers were raped, their breasts cut off and their bodies mutilated. One way or the other, one million people were consigned to mass graves. Srecko Rover was an eager participant in these horrible atrocities and massacres. Even today, more than 40 years later, new mass graves containing innocent victims of Ustasha murders are being discovered whenever the River Sava changes its flow.

More than 40 years has now passed since those horrible crimes against humanity were committed. We who came here to settle in this peaceful country, while not forgiving, are at least trying to forget the injustices and horror inflicted on us in the past by the Ustasha killers. However, war criminals such as Srecko Rover, through their current activities and continuous active hatred and threats of violence toward their victims, keep reminding us of the horrifying past.

Towards the end of the war the beaten German Nazi army was withdrawing from occupied countries. With them ran the Ustasha, the Cetniks and all the treacherous quisling scum, including types like Rover and Urbancic. They dispersed in camps and tried to hide their involvements in war crimes. Many of them, including Srecko Rover, were arrested by the British intelligence, only to be released again when allied intelligence decided that they may use former Nazis for their purposes in eastern Europe. Rover, after his release, promptly continued his Ustasha activities. He organised a group headed by himself and another Ustasha named Karran and they jointly led an insurgent group into Yugoslavia. It is interesting to note that the whole group was arrested by the Yugoslav security forces. Only Srecko Rover miraculously escaped. As rumor has it, when the going became tough, Rover, in good Ustasha fashion, dobbed in his mates to save his own hide.

On 8 November 1950 Rover migrated to Australia, where he continued his Ustasha activities by setting up a number of organisations. Due to fanatical eagerness fuelled by the strong motivation of racial hatred of a few ustashi emigrants, a number of extremist organisations, known to ASIO—such as the HOP, the Croatian Liberation Movement; the HNO, the Croatian National Resistance; the HDP, the Croatian Movement for Statehood; the HRB, the Croatian Revolutionary Brotherhood; and so on—were set up. Rover was appointed the leader of HNO. It is also interesting to note that under ASIO's nose two groups of trained terrorists were sent from Australia into Yugoslavia, one in the early 1960s and another in the early 1970s. Both groups were swiftly dealt with by the Yugoslav security forces before they could do any of the damage they were sent to do. It appears that the Yugoslav security service has been informed of these incursions well in advance. So much for Srecko Rover.

One further point: Srecko Rover, former member of the terrorist Ustasha Organisation from before the war, member of the Ustasha Police Force under German occupation of Yugoslavia, member of mobile courts executing scores of innocent people, an Ustasha killer, member of the puppet fuhrer Ante Pavelic's personal body guard, obtained Australian citizenship without ASIO objecting to it, despite all that I have said about him—and much more was known to ASIO at the time. Could it be that Rover, and others like him, were in the service of ASIO at the time? The mind boggles when one thinks what kind of people are entrusted to

look after the security of our nation, at a cost of \$35m a year. Imagine how much good we could do with \$35m a year if that money was used to assist our needy families, instead of giving it to bungling and inept spooks. No wonder bureaucracy, especially the secret one like ASIO, fits so nicely into Veblen's concept of 'trained incapacity'.

One would only have to think of the bomb that went off on 13 February 1978 in front of the Hilton Hotel in Sydney. Only people who were trained in incapacity and ineptness, like ASIO spooks, could do such an inept bungling job, and then blame in a frame-up three Ananda Margi unfortunates for it. As I said before, ASIO never produced a spy, except for a drunken Russian diplomat, who liked the good old Scotch whisky more than his native vodka and decided to defect. ASIO's more recent scoop was the former Federal Secretary of the Australian Labor Party who, during a friendly chat to a Russian diplomat, described the political situation in Australia—a description which Mr Ivanov could have read in any Australian newspaper. If, in 37 years of its existence, this is all that ASIO produced at a cost of \$35m a year, I would gladly vote for its abolition whenever Cabinet decides to propose it.

As it is now though, I strongly support the Bills before the House as they will introduce better scrutiny and accountability into ASIO and not allow it to hide behind a convenient curtain of secrecy. I hope that the present Attorney-General, Mr Lionel Bowen, will not have to raid the spooks' headquarters as Senator Murphy had to do when he was Attorney-General to obtain information which it withheld from him. That memorable raid did produce documents which show that an extensive organisation was built by former war criminals inside the Croatian community here. Those documents also show that ASIO was aware of the activities of the war criminals here in Australia in the 1950s and 1960s. It is not a good enough excuse that some of the bastards were used as ASIO Agents or that some others were at the time involved with the KGB and our own intelligence as well. Such practices by our security intelligence organisation, of which I was critical, are unacceptable by our democratic society. They have to stop and the only way to stop them is to make the organisation, the Australian Secret Intelligence organisation, accountable not only to the Attorney-General but to the Parliament also. I especially welcome the proposed establishment of the Joint Committee—

Madam SPEAKER—Order! The honourable member's time has expired. I suggest to the honourable member for Hotham that the Chair has asked him in the past to exclude words that are not acceptable to the Parliament. I hope that he will do so in the future.

Mr KENT—I offer my apologies, Madam Speaker, but I was referring to war criminals, not to members in the public at large.

Madam SPEAKER—The Chair would prefer that such language not be used in the House.

Mr MacKELLAR (Warringah) (8.34)—We have just heard one of the more disgraceful speeches that have been heard in this Parliament over a number of years. The honourable member for Hotham (Mr Kent) is giggling quietly to himself over there. He is probably very pleased that he has used the words—

Mr Milton—He is not giggling at all. It is a serious matter.

Mr MacKELLAR—It is a very serious matter, and I trust that Labor members will treat it seriously. The fact that the honourable member for Hotham can use the phrase that he is not going to wrap himself in the Australian flag, as though it is a mark of some discredit to have some respect for the Australian flag, does him very little credit indeed. I am glad to hear the honourable member come out in public because we can hear yet again the views of people who subscribe to the opinions that the honourable member represents when he talks about subversion, as though that is something with which we should not be concerned. I would have thought that subversion was something that any loyal member of any nation should have very real concern about, but the honourable member for Hotham talks about subversion as though it is of no moment whatever. He considers that subversion is not something that we should be concerned about. He talks about the Australian Security Intelligence Organisation of which he has little knowledge, apart from the diatribes which comes from the political ideological leanings that he represents, the far Left in this place.

Parliament through the years has been brought to focus on the role of the special agencies in the security system, all too often unfortunately as the result of an inquiry from a public issue. I wish to speak to the Australian Security Intelligence Organization Amendment Bill, its cognate Bill, and the proposal for an Inspector-General to oversee the system which is comprehended by the parlance 'the total intelligence community'. Basically three of the agencies—Defence Signals

Directorate, Australian Secret Intelligence Service and the Office of National Assessments—are concerned with intelligence acquisition and assessment affecting foreign relations. Of particular significance is the Office of National Assessments which assesses international issues using, one is bound to say, the source material openly obtainable. What 'secret' information does is to narrow the areas of speculation and, in so doing, improve the quality of understanding of international issues, whether they be arms control, terrorism, political objectives of foreign governments or other matters.

Despite what left wing members of the Labor Party may say, I believe that this is vital work, if we are to conduct our foreign and defence policies with a thorough understanding of the issues. The expertise engaged gives balance and stability to our outlook, more often than not calming concerns raised by media hype and the like. So the concept that such institutions stir up issues which were better left to lie is seriously wrong. What they do is add a greater sharpness to the expertise on which our external policies proceed. Hopefully all members of the Government would support that proposition although, having listened to the speeches from the left wing of the Labor Party in this debate, I seriously doubt it.

The organisation dedicated to domestic security intelligence, ASIO, has been challenged by certain supporters of the Government, and we have heard it challenged again here tonight, particularly in the echelons of the Party's Left which dominate Labor Party politics in Victoria. I remind honourable members of the Labor Party that ASIO was set up by Mr Chifley, a Labor Prime Minister, but it was the defection of Mr Petrov in 1954 which set in train political difficulties for ASIO and which, in the wake of the Petrov case, was blamed for the political incompetence of the Labor Party's performance at the polls. The Petrov Commission found that there were active Soviet agents in Australia. That should, I hope, be of some concern to members of the Government Party.

A member of the Australian Communist Party's Central Committee, Wally Clayton, was found to be a key operator in the network. He had organised espionage in the Department of Foreign Affairs. Accordingly to Petrov, the documents received in the Soviet Embassy from 1945 to 1948 contained a lot of information about American and English foreign policy, as well as Australian foreign policy. A secretary-typist was to describe her activities. As a member of the

Community Party, she took extra duplicate copies of what she types and gave them to Clayton. Clayton was shown to be active in attempts to suborn officers, officers who really should have been given better instructions in handling approaches by people like Clayton.

It will be seen that the sensational material which emerged embroiled ASIO in a political controversy which served the nation very poorly. It is not in my mind to introduce into this debate partisanship of the kind which bedevilled Australia before the first Hope Royal Commission on Intelligence and Security. The fact is, though, that even that Commission did not lay to rest the mythology built up in the Labor Party against the reputation of Sir Robert Menzies that the Government of the day, in discharging its public function, entered into a conspiracy with ASIO. I am sure that the honourable member for Hotham would probably endorse that that alleged event took place.

The reality, though, is that this smear has now been put to rest by the publication last year by the Hawke Government of a set of papers known as the Petrov papers. They give the lie to this conspiracy theory—a conspiracy theory which was in operation for nearly 30 years. Mr Justice Hope in his 1977 report did confirm the finding of the 1954 Royal Commission, namely—and I say again—that a Soviet network was operating in Australia in the postwar years. If honourable members of the Labor Party do not think that is of concern, they have a very different concept of what it means for the future of this country than I do. It is to the credit of the Prime Minister of the day, Mr Whitlam, that, in following the Murphy raid debacle in 1973, a raid which the honourable member for Hotham said was absolutely necessary—

Mr Kent—It was.

Mr MacKELLAR—It was, he says. It was a performance which was of the utmost discredit to the Attorney-General of the day.

If the facts of that raid, and the atmosphere in which it was carried out, truly come to light, honourable members will find that, in fact, it was not a carefully considered raid, but something very different indeed. I will not go into that matter now. Mr Whitlam set into operation an inquiry into the intelligence system. However, it was left to the Fraser Government to implement the findings which emerged, and ASIO has been able to function under a new piece of legislation, which is being amended again today.

Mr Peacock—Not just ASIO, either.

Mr MacKELLAR—No, not just ASIO but other organisations as well. A major amendment concerns the problem of ASIO's action in respect of activities which have been broadly classified as subversion. The Act will give ASIO powers in respect of politically motivated violence, promotion of communal violence, attacks on Australia's defence system and acts of foreign interference. Section 17A is specific that the Act shall not limit the right of persons to engage in lawful advocacy, protest or dissent, and that the exercise of that right shall not, of itself, be regarded as prejudicial to security. I think that this amendment is valuable and overcomes the problem in the Scientology High Court case which, in a fact, made a court case out of nothing as to fact, but it was significant as to the law. The royal commissioner disposed of the matter in ASIO's favour in chapter 2, paragraph 30. This section of the report of the commissioner is interesting and important in another aspect. Here the royal commissioner discusses the problems raised by ASIO's public image. It is a thoughtful and provocative piece in which the royal commissioner says:

There are sections of the media, some politicians and persons engaged in political activity, and some other citizens who dislike with varying degrees of intensity and who either criticise or lampoon it. My inquiries suggest that, despite this media attitude to ASIO and the significance that some people in public life may give to it, that attitude may be a minority one, and the minority may not be very large.

It sounds pretty much like the left wing of the Labor Party, particularly in Victoria—noisy, remuncious, but not of tremendous national importance. I commend this section to honourable members because it demonstrates that those who have attacked ASIO have had not a little success. There is, however, reason to believe that, notwithstanding general problems for accommodating secretly functioning organisations in a democracy, there is remarkably good sense in the view that ASIO carries public support, and that it needs to look beyond its unfair critics to the wider public. I am convinced that the broad support in the community is for ASIO rather than against it.

We saw in the late 1940s Soviet agents attempting to involve young Australian diplomats espionage; that is fact. They now have the protection of knowing that such blatant activities are no longer possible, and they are spared the uncertainty of being accosted in this way. Australia's allies know that there is a bipartisan strength in government which acknowledges the necessity and national importance of ASIO, de-

spite what members of the left wing in the Parliament have said here this afternoon.

This brings me to the issue of surveillance proposals set out in the Bill for an Inspector-General and the legislation for a joint committee on the Australian Security Intelligence Organisation. As I have indicated, there has been an incessant, almost incorrigible attack on ASIO and, as the royal commissioner has noted, it has diminished the moral of the organisation. The Combe case has been particularly productive of controversy and has provoked concern about issues of security. The Government's role in that case was one of total incompetence, and ASIO had to pay the price. Let us be clear: ASIO had a duty to keep the activities of the KGB agent Ivanov under surveillance; that was its duty. When Mr Combe, a leading figure of the Australian Labour Party and friend of the Government, faced entrapment by Ivanov ASIO was doing an essential service in warning the Government of such a development. The problem was that the Government put itself at panic stations, not helped, of course, by leaks which ended up with media speculation pointing a finger at Mr Combe.

The facts are that Mr Combe was a private citizen; he held no position in the Government and had not acquired documents for passing to Ivanov. He may, in fact, have been naive or injudicious, but the Government, and particularly the Prime Minister (Mr Hawke), subjected him to the harassment of a royal commission simply because the Prime Minister felt that it got the Government off the hook. It was nothing to do with civil liberties; it was getting the Government off the hook, and the Prime Minister stands accused because of that. The real victim, however, was ASIO, because the Organisation was given the blame for the problems that the Government visited upon Mr Combe. The royal commission found out what everybody knew—that Mr Combe was being cultivated and that he was unwise in his association. The Government had a duty to talk to Mr Combe; it did not have a duty to do more than that. In the national interests, the role of ASIO would have been better served if the Government had behaved sensibly. It did not. The other case which brought problems quite wrongly visited by a smear on all security organisations was the Sheraton Hotel affair. It was as stupid a piece of tomfoolery as one could devise.

Now we have a proposal for an Inspector-General, as though that will solve all of the problems. We also have a proposal for a joint

committee which, despite the royal commissioner's objection, the Government has decided to implement. People should not be misled that this committee is a Labor Party proposal made in a submission which the royal commissioner rejected—and quite rightly rejected. He accepted the idea of an Inspector-General, I believe, in the hope that the joint committee idea would be dropped. Therefore, we have a committee which supervises the Government, including the Inspector-General. Is this really desirable, given the problems of secrecy? It seems to me that ASIO will find it very difficult to do a job in an environment where there are so many people with the set-piece task of watching. There is a serious problem as a result of this legislation, one that the royal commissioner hoped would not have to be faced.

This extraordinary piece of legislation, which I find great difficulty in accepting, seems to abandon the concept of ministerial responsibility. What is the job of the Minister in charge of ASIO? Is it not to supervise the Organisation? Surely he does not need to have somebody else standing offside in another department. It is quite extraordinary that there will be this Inspector-General in the Prime Minister's Department reporting to the Attorney-General and dealing with him. It will not fix problems like the Sheraton Hotel incident, because it will only be looking at those sorts of activities after they have happened. Hopefully, they will not happen again. I cannot believe that it will do anything but cause administrative and operative dislocation within ASIO. What it is, of course, when it is all boiled down, is a sop to the left wing; it is yet another indication by this government that it does not have the ability to make hard decisions; that it will do anything to appease its left wing. The Minister sitting at the table, the Attorney-general (Mr Lionel Bowen), really has to explain to the Australian people why this proposition is necessary. I do not believe he did that in his second reading speech to this House. Certainly, I have great difficulty in accepting that there is a need for an Inspector-General to ride herd on the security organisations, particularly ASIO. I have great difficulty in accepting the need for this additional office. I have great difficulty in accepting that the office, when it is established, will do anything but make it more difficult for ASIO to operate in a proper fashion. I can see some arguments which suggest that it will make it easier for the left wing to be shown that there is no political interference. However, I do not think that that is a sufficient reason to suggest to the Australian people that they should go

through the expense, difficulty and trouble of setting up yet another government organisation funding yet another senior government official.

I do not think—I have been convinced for a moment—that it will add to the efficiency of our security organisation, which is, after all, what we are about with this legislation. Surely what we should be concerned about as a national parliament is national security. We should not be attacking those organisations charged with the responsibility of guaranteeing or assisting to guarantee our national security. I am not convinced for a moment at this stage that the Inspector-General will add to the efficiency of the Organisation. I will be very interested to hear the remarks of the Attorney-General in justifying again the proposition that he has put before the House.

Mr LINDSAY (Herbert) (8.49)—On 16 March 1949 the then Prime Minister of Australia, Mr Ben Chifley, issued a directive for the establishment and maintenance of a security service in Australia. Its task was to be the defence of the Commonwealth against external and internal dangers arising from attempts at espionage and sabotage, or from actions of persons and organisations, whether directed from within or without the country, which may have been judged to be subversive to the security of the Commonwealth. Prime Minister Chifley, in his memorandum to the Director-General of Security, included this statement:

It is essential that the security service should be kept absolutely free from any political bias or influence, and nothing should be done that might lend colour to any suggestion that it is concerned with the interests of any particular section of the community, or with any matters other than the defence of the Commonwealth. You will impress on your staff that they have no connection whatever with any matters of a party political character and that they must be scrupulous to avoid any action which could be so construed.

This imprecation remains true today and applies equally to the other agencies. It is reflected in the bipartisan approach adopted in providing the Opposition with briefings and major reports. Over the years governments have generally accepted that the Australian Security Intelligence Organisation and the other agencies have satisfactorily performed their functions despite some times trenchant criticism from persons who simply wanted ASIO and like agencies abolished altogether. The continuing need for the agencies has been endorsed over the years, whether overtly or simply by continued funding by governments from both sides of politics. Mr Justice Hope, who has produced voluminous reports on Aus-

tralia's intelligence and security organisations, once said:

Australia needs a good system of intelligence and security services. This need has become more apparent now than perhaps it was in the past. . . . Australia cannot hope to know everything that is going on in every part of the world. But we can try to keep informed about what people are doing and planning in areas of special significance to us. That requires us to be more discerning in choosing subjects for intelligence collection and assessment.

Having said that, Mr Justice Hope has consistently noted that there is room for improvement. For example, in his earlier report he referred to ASIO as being fragmented, poorly co-ordinated and badly organised. He said:

They do not have good or close relations with the system of government they should service.

For example, ASIO did not have the skilled manpower to match spy networks, it operated outside its charter and the law and, among a number of other deficiencies, had a sub-standard record section. The Fraser Government's response to those comments and other recommendations contained in the mid-1970s report of the Hope Royal Commission on Australia's Security and Intelligence was in the main directed towards making the intelligence and security community more accountable and more responsive to the demands of government. For example, the charter of ASIO was clarified in legislation. The Security Appeals Tribunal was created and initiatives were taken to move some agencies' headquarters to Canberra to bring them closer to government and to the users of their product. Accountability is a theme which regularly receives public voice. For example, the *Canberra Times*, in an editorial published on 29 May 1984, opined:

Everyone agrees that an Australian force of some kind should be active against people plotting acts of violence for political ends, and that a force of some kind should prevent foreign governments sending in agents to pass back commercial and military secrets. But, at the other extreme, what about tapping the telephones of people who might be associated with someone who might be engaged in activity which might lead to an act of violence? What does this word 'subversion' really mean? Who are subversives? How does one draw the line between legitimate political dissent and plots to overthrow violently the elected government? Those judgments are made by ASIO. More importantly, they are made by individual officers of ASIO. In the past these officers have displayed a cold-war mentality and they have allowed the interpretation of the definition of 'subversion' to be widened to the extent that the civil liberties of loyal Australians who happened to have different views were threatened. But there should be some tough accountability provisions to ensure that the individuals who make up ASIO do not over-step their charter.

The Hawke Government, an authentic Australian government, has endorsed the views of Mr Justice Hope, stated in this 1977 report and repeated in 1985, that Australia needs intelligence of quality, timeliness and relevance and for this purpose requires a highly professional system of intelligence security. At the same time the Government demands the highest standards of the intelligence and security agencies and is committed to a policy of further improving the performance of the agencies and ensuring that they continue to act with legality and propriety. The nature of the work of the agencies is such as to demand the highest standards. It is also conducted in confidentiality with little scope for publicising its successes or defending allegations of shortcomings. As the Attorney-General (Mr Lionel Bowen) stated in his second reading speech:

This community rarely receives public commendation, but its errors, and speculation about its activities, have a way of generating lurid headlines. Much of this speculation cannot be officially debated. It is an irony that the very confidentiality of the agencies' work seems to inspire demands to expose and publicise their activities and that the trust placed in them to conduct their work in confidence creates, in some, a want of trust.

For the reasons I have briefly mentioned, the Hawke Government has strongly embraced Mr Justice Hope's recommendation for an Office of Inspector-General of Intelligence and Security. It will provide an independent office to give the reassurances needed that the agencies are working well, with legality and propriety, or to bring to notice any instance where they have not, without jeopardising the essential confidentiality of their work. I believe it to be in the national interest that genuine concerns about the activities of the agencies can be tested, that on the one hand improprieties and illegalities can be brought to light and significantly, on the other hand, the agencies are able to clear themselves of frivolous and unjust accusations.

It will be obvious to all those who have studied the Inspector-General of Intelligence and Security Bill 1986 that it has been drafted with the utmost care to ensure that the Inspector-General is not unnecessarily intrusive and that national security classified material is protected. There are different mechanisms for instigating reviews in respect of collectors and assessors of intelligence, there are statutory requirements for consultation prior to reporting, and there is provision for the presentation of reports, edited as necessary on grounds of national security or privacy.

To sum up, the legislation in total provides greater protection to the public through the establishment and operation of the position of Inspector-General of Intelligence and Security and the Joint Standing Committee on the Australian Security Intelligence Organization, and through ASIO itself, which cannot by definition publicly defend itself against any misleading or grossly exaggerated media coverage, as occurred in the Combe-Ivanov affair. The legislation more clearly defines ASIO's authority than hitherto regarding protective security, strengthening its advisory role, and highlighting the importance of protective security. The legislation provides a clearer definition of the hitherto uncertain relationship between the Attorney's responsibilities and those of the Director-General of Security. The legislation also provides for the establishment of the Joint Committee on ASIO but has carefully defined its functions and responsibilities in measures designed to protect national security in an environment where the protection of national security information is of great concern. The legislation carefully delineates, among other things, the Committee's responsibility for the security of classified material, evidence, information and documents which would be entrusted to it in order to fulfil its functions. The legislation extends the charter of ASIO by authorising it to obtain, subject to specified safeguards, foreign intelligence within Australia. This is an essential measure if Australian intelligence collection and analysis is to make optimum use of all available intelligence, including foreign intelligence, which is defined in the Act as 'intelligence relating to the capabilities, intentions or activities of a foreign power'.

I am a strong supporter of ASIO, as is the Hawke Government. In response to comments made in this House earlier in this debate, I add that I am a strong supporter of the United States of America and its leadership of the free world. Nicholas Seddon wrote in the *Australian Quarterly* of the summer of 1982 that:

ASIO must, so far as is consistent with its functions, be answerable for its activities in the same way as any other public body. ASIO's peculiar functions make it necessary to modify the usual checks that are applied to public bodies. In some respects these checks must be less stringent; in others more so. The dilemma is summed up in the words of a recent Canadian inquiry into the Royal Canadian Mounted Police: 'It is to secure democracy against both its internal and external enemies, without destroying democracy in the process'.

Speaking of Australia's intelligence and security agents, the *Canberra Times*, in its editorial of 29 May 1984, said:

The watchdogs have to be constantly watched. Nonetheless watchdogs are necessary. It is idle to say that security organisations can infringe liberty and so should be abolished, because the abolition of the security organisations would pose a much bigger threat to liberty than the organisations themselves—liberty from terrorism, liberty from political and commercial espionage, liberty from interference and destabilisation by foreign governments. Liberty and security go hand in hand. Without liberty there can be no security; without security there can be no liberty.

Mr ALDRED (Bruce) (9.01)—Along with my colleagues in the Opposition, I oppose the Inspector-General of Intelligence and Security Bill, the Australian Security Intelligence Organization Amendment Bill and the Intelligence and Security (Consequential Amendments) Bill because they have been part of a long-running emasculation of the security apparatus of this country. That emasculation commenced back in 1973 with the Murphy raid on the Australian Security Intelligence Organisation and the former Director-General, Harvey Barnett, saying of that raid and its aftermath:

The Murphy raid of 1973 had left its mark. The staff was still demoralised. It had sent shock-waves around the world; a security service raided by its own Minister in the middle of the night.

It is well known that from that time there was great difficulty in getting ASIO trusted by other security services around the world, though generally throughout most of ASIO's history it had been well regarded. Before I detail some of the rundown in ASIO, I should specifically refer to one matter raised by the honourable member for Hotham (Mr Kent) in his speech on these ASIO Bills. That was in relation to the Hilton Hotel bombing in 1978. The honourable member implied that somehow ASIO had been responsible for setting up that bombing. Harvey Barnett, in his departing interview with the Melbourne *Herald* on 1 August 1985—from which paper I have just quoted—also made a fairly succinct statement on the Hilton bombing. The report states:

The anti-ASIO camp gleefully seized on the 1978 Hilton Hotel bombing during the Commonwealth Heads of Government Regional Meeting (CHOGM). Two garbos died.

"Our enemies said we did it to get more funds", Mr Barnett said. "They pointed out that six weeks later ASIO's budget was increased".

Mr Barnett continued:

"We found this offensive. They assumed there were people in ASIO prepared to murder to get more money to run their outfit."

That is a fairly clear rebuttal of the rather stupid piece of nonsense that was implied in the remarks of the honourable member for Hotham.

Returning to the central problem of the run-down of our security apparatus over the last few years, particularly under this Government, I also draw the attention of the House to some remarks by Mr David Barnett in an article which he wrote recently for the *Bulletin*. I gather that that article has since been the subject of considerable comment, including a protest against the article to the *Bulletin* by the Director-General of ASIO, Mr Alan Wrigley. It is interesting that Mr Wrigley, in his protest to the *Bulletin*, did not deny the accuracy of any of the comments made in the article by Mr David Barnett. The article appears in the *Bulletin* of 27 May. He said:

The Australian Security Intelligence Organisation's move from Melbourne to its new headquarters in Canberra is proving disastrous. Of the 350 people in the old St Kilda Road HQ, only about 30 have said they intend to make the transfer. Another 15 have indicated they may do so. The move is to be completed before the end of the year.

That is a very disturbing development, because, as I understand it, the bulk of the people being lost are the seasoned hard-core professionals in the organisation who will be extremely hard to replace. One of the great and very real dangers in such a mass exodus from the Organisation and, of course, subsequent mass replacement with great rapidity without much of the normal scrutiny being applied is that in replenishing the numbers of people involved the Organisation may well be infiltrated. In terms of loss of people and their replacement, it puts ASIO in a very vulnerable situation. Mr David Barnett, in his article, continues:

ASIO moral has suffered also because the government has reduced ASIO's role and proposes even further restrictions.

ASIO still exists as a liaison service with overseas security organisations, and maintains its responsibility for vetting recruits to the public service, but it has been taken off surveillance of communist organisations and other extremist groups.

That is a very interesting observation, because in another article in the *Bulletin* of a little earlier, 13 May, Mr Barnett addressed the same problem in relation to both the State special branches and ASIO. At page 44, he says:

The closing of state special branches and the shacking of the Australian Security Intelligence Organisation by former Attorney-General Senator Gareth Evans have left all police forces with limited ability to anticipate threats.

This applies to major drug dealers as well as potential trouble makers. The occasional drug busts made at Australian airports are usually the result of information supplied from overseas forces.

There is no surveillance of the large Arab community and Libyans come and go with no attempt to keep track of them.

I also understand that, generally, surveillance of Soviet personnel, in particular KGB activities in Australia, has also been substantially scaled down. Not only are we seeing a substantial reduction in the Organisation's manpower but we are also seeing a very severe contraction in the range of responsibilities that previously it exercised. Some very real consequences flow from that. One is in assessing threat. Mr Barnett, in his article of 13 May, went on to say:

Federal police—

Of course, they are one of the client organisations which receive ASIO intelligence—

fear that as the result of decisions to put civil rights ahead of security considerations, there is now the potential for a serious incident.

That is so because they do not have the intelligence information that they used to get on threats against very important people. That is only one form of threat. Other forms of difficulties can arise on a broader scale. I return to Mr Barnett's article of 27 May, in which he states a further comment which gives one grave concern for the future. He said:

It could be five or 10 years before the organisation is built back to strength, provided a government has the will to do this. The intensive recruiting campaign required renders ASIO especially vulnerable to penetration by a mole, as happened 11 years ago.

In these Bills, in a sense we are seeing the final nail in the coffin of the Organisation. This Government has run a process of emasculation over a considerable period, which was started under the previous Whitlam Government and has now been taken further with these Bills. With the rundown in manpower and operating capability and the loss of morale and purpose, we are in a most parlous situation. I have to liken it in many senses to the destruction of the security agencies and their substantial weakening in the United States of America under the Carter Administration. It was only because of very positive action by the Reagan Administration, upon its election to office, that the viability and cohesiveness of the American security agencies were restored. We are looking at a very difficult situation for our security agencies because of what has been done over a period of years. On return to government we may be faced with the task of virtually creating an entirely new organisation because of the extent to which ASIO has been so substantially run down.

ASIO has been run down at a time in our history when, despite the comments of some

honourable members opposite, we are facing a larger degree of danger in many areas, with the Soviet penetration in the Pacific and various extremist groups building up in this country—again because of lack of proper vetting in many cases; in relation, for instance to the Libyan community, which has connections with the Gaddafi regime back in Libya, which has been funding much of the terrorist activity in the South Pacific and elsewhere.

The other area of which one has to be increasingly aware is that increasingly one is seeing a correlation between the major crime syndicates of this country and espionage. This matter was first alluded to by Mr Douglas Meagher, QC, counsel assisting the Costigan Royal Commission on the Activities of the Federated Ship Painters and Dockers Union. He made certain pertinent comments about that some years ago. Since that time we have seen certain other evidence come forth which substantiates the propositions that Mr Meagher put forward some time ago.

It is interesting in that regard to look at some of the material put forward to the New South Wales Parliament Select Committee of the Legislative Assembly upon Prostitution. Honourable members may recall that that report was published in April of this year. It drew together the deliberations of that Select Committee upon Prostitution in New South Wales and a considerable body of work. When one goes to the substance of the report one finds many things that are really quite disturbing. One of the areas that the report highlights very clearly is the way in which prostitution is tied to illegal immigration rackets and to the falsification of passports. In that regard I would particularly like to turn to the evidence put before the Committee on 15 November 1983 by one James McCartney Anderson. As is well known, Mr Anderson was previously an associate of Mr Abe Saffron, a well recognised major crime figure in New South Wales. Mr Saffron and Mr Anderson parted company some years back, but that in no way negates the validity of what Mr Jim Anderson said to the Select Committee upon Prostitution. There are some very pertinent comments from him which highlight the very point I made about the link between major crime and espionage. In his session before the Select Committee, Mr Anderson said:

But it is not what you know, it is who you know, and this is where the likes of the Saffrons in Australia are diabolically dangerous to the security of your country, never mind anything else. The greatest security risk that Australia faces is the corruption that exists in New South Wales and other States, only this one more than

others. You could start a spy ring here without any problems at all.

The next question to Mr Anderson was:

By using Mata Hari type spies, you mean?

Mr Anderson's answer was:

Using ladies to compromise politicians, members of the armed forces; it is nothing new. But for some reason or other Australian politics find it very difficult to comprehend that it could happen here. This is why the drug scene got out of control because nobody thought it could happen in Australia.

I will go on in a minute with some other comments from Mr Anderson's presentation to the Committee. It is interesting that in making that presentation Mr Anderson offered to appear again before the committee but the Committee did not take up that offer. I find that rather disturbing. The Committee's report states that the Committee did not call him back again, but the reality is that it did not seem to want to have him back again because of some of the things that he had to say. In further evidence to the Committee, Mr Anderson said:

Prostitution is one of the wedges—a very important wedge—in opening doors and carrying favours, if you want to put it that way, and in gathering information and material that would make the person you are trying to negotiate much more susceptible to your wishes.

The he specifically goes on to talk about some of the people whom he has seen compromised in these circumstances. Mr Dowd asked Mr Anderson:

Have you been present at conversations with Mr Saffron and any other people you have mentioned?

Mr Anderson's answer was:

I have been present when Mr Saffron was talking to what-you-call-him, Mr Murphy. I was present in the Venus room.

The question then was:

In the same room?

The answer was:

In the Venus room

The next question was:

Were you present in the same room when Mr Saffron was talking to Mr Justice Murphy?

The answer was:

Yes, in the Venus Room. He came down with some Asian ladies. That is Mr Murphy's weakness, incidentally.

Mr Griffiths—I take a point of order, Mr Deputy Speaker. I do not wish to curtail debate but the honourable member for Bruce is well aware that by making references to the High Court judge about whom he is speaking he runs the very grave danger of offending Standing Orders in so far as they relate to the sub judice

provisions. I ask the honourable member, out of decency if nothing else, to bear that in mind. If he believes that the matters that he has raised have any merit, there is a time and a place for them, and they are clearly after the proceedings instituted by this Parliament have been completed.

Mr DEPUTY SPEAKER (Mr Mountford)—The point of order is upheld.

Mr ALDRED—I have already taken advice on this and I point out that the Parliamentary Commission of Inquiry looking into the circumstances surrounding Mr Justice Murphy is not a court of law and the matters are therefore not sub judice.

Mr DEPUTY SPEAKER—I ask the honourable member to desist and to stay within the terms of the legislation being debated.

Mr ALDRED—I think I have highlighted the principal links between major crime and espionage. While addressing these matters. I seek leave to table Mr Anderson's evidence given before the Select Committee upon Prostitution.

Leave not granted.

Mr ALDRED—It is fairly obvious not only that this Government is intent upon finishing off the security organisations of this country with these ASIO Bills but also that it does not want to hear the truth about many of the potential dangers that face us. Although the attempt to suppress this document today may have succeeded, I add that not only is the same document in the hands of the Select Committee; I gather the same document is being studied with great interest by the National Crime Authority. The extent to which the Government will be able to sit on this document and suppress it will be very limited.

I draw my remarks to a close by pointing out that, upon return to government, the Opposition will have on its hands a very major task in rebuilding the security apparatus that the Labor Party has dismantled at both Federal and State level. That will apply not only to rebuilding ASIO, or possibly even a new organisation if we find that Organisation has been completely debilitated, but also to re-establishing and rebuilding at State level the various State special branches.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (9.18)—in reply—I thank all honourable members for their contribution. I am aware that we will go into Committee to discuss a number of amendments. There will be further deliberations at that point. Let me say at the

outset, in answer to the honourable member for Bruce (Mr Aldred) who was anxious to mention a few matters, that it is valid, as was said by interjections, that flawed, that if there is any evidence of some conduct that he feels is likely not to be disclosed here—which it cannot be—it can certainly be disclosed to any existing commission. I do not understand why he wanted to do it now other than to try to prejudice the opportunity for the Parliamentary Commission of Inquiry to have an impartial hearing without this sort of evidence being introduced. I am also aware that the person who apparently made those allegations is rather notorious in another sphere.

As the honourable gentleman is so anxious to venture into what might be happening with the international agencies, he might look at what happened with the Nugan Hand Group and see the widespread ramifications of that, agency; these were not limited to Sydney, New South Wales or Australia but also overseas, particularly as they related to the movement of large amounts of money and a possible relationship with international crime. Certainly, on some issues, intelligence agencies at times become more interested in money than in intelligence. That would not apply in Australia, but serious allegations have been made particularly in relation to the Nugan Hand operation. Obviously the honourable member was not able to grapple with that, perhaps because he had not addressed his mind to it. I advise him in the future not to take so much notice of everything he reads in the *Bulletin* or what is written by somebody—I think this is the case here—who has no association with an intelligence agency, even though he might have had some association with a former Prime Minister.

The honourable member spent a lot of time addressing his remarks to what he called the low morale of ASIO. I find ASIO to be a first class organisation and it is a pity that the accusation is now being made that there is a morale problem because the agency is obliged to move from Melbourne to Canberra. For perhaps understandable reasons, a large number of personnel do not wish to move from Melbourne to Canberra. There might be valid reasons for that, other than just morale. Any low morale may have existed for some considerable time, whereas the move to Canberra has been discussed only in recent months. So there is no question of a lack of morale; it is a question of people, for personal and family reasons, because of housing commitments and what have you, not wishing to make the move to Canberra. I hope that is clearly understood, because in Mr Alan Wrigley,

the new Director-General, we have a first class person who is very interested in the welfare of the Organisation. Those who are prepared to remain in the Organisation, as most are, are doing a magnificent job. The issue is purely one of having to move from Melbourne to a new building in Canberra, situation which of course was created under the auspices of the previous Government—we understand that—in accordance with Mr Justice Hope's recommendations that it would be better for the headquarters of the agency to be here. It is no worse and no better than that.

While we are talking about morale, the honourable member might address himself to the fact that over a long period, particularly when the previous Government was in office, personnel had no clear terms and conditions of employment. Is it any wonder that there was some problem with morale when employees had no contractual terms? There was not included in their conditions any suggestions of when they might be able to get termination payments. At one stage they were threatening litigation in the High Court of Australia, not because of our action but because of the inaction of those opposite when in government. That is what the morale problem relates to honourable members opposite were in government at the time. So I hope we do not hear any more about this question of morale being related to the present situation in Melbourne. Mr Wrigley is confident that a large number of personnel will be moving to Canberra and remaining with the Organisation. We will welcome them.

Having said that, let me address a few of the remarks of earlier speakers, particularly the honourable member for North Sydney (Mr Spender), who I note with surprise did not oppose the establishment of the Office of Inspector-General of Intelligence and Security. Nor should he; it was recommended by Mr Justice Hope as well. But the honourable member for Menzies (Mr N. A. Brown) thought that the creation of the Office was the wrong thing to do, so there is a bit of a conflict there and I hope they can understand each other's submission. Clearly it is the Government's view that, where we have an intelligence agency and it is acting in accordance with its charter, there is no problem about having an Office of Inspector-General. In fact, it adds weight to the situation. Again, from the point of view of the contentious matter of the Parliamentary Joint Committee on the Australian Security and Intelligence Organisation, it could be argued that perhaps this surveillance responsibility should not be given to a commit-

tee, but surely we should consider the fact that the committee's members would be members of parliament. They must have had something in their favour to be elected here. They did not just walk into the House because they wanted to; they had to have the support of the people of Australia.

Mr Spender—Preselection, first of all.

Mr LIONEL BOWEN—Preselection is perhaps even more rigorous than selection. The point I want to make is this: The Committee is limited in what it can do, and we have safeguards as to how it may operate. For example, the Committee's functions are limited as it is now allowed to review a matter that relates to the obtaining or communicating by the Organisation of foreign intelligence; it is unable to review an aspect of the activities of the Organisation that does not affect any person who is an Australian citizen or a permanent resident; it is not to review a matter that relates to intelligence collection methods or sources of information that is operationally sensitive; it is not to be involved in originating inquiries into individual complaints concerning the activities of the Organisation; and under section 92K, the Minister can issue certificates to prevent evidence from being given to the Committee. So I am not at all concerned that some extraordinary problem may come about because we have created a parliamentary committee. We ought to realise that because we have a Parliament, because we have an opportunity to ask questions without notice or raise any matters here at all, the Committee should have a similar function and be able to discuss matters that it might think are of some importance. That would give added strength to the Organisation because the Director-General or somebody else would be there to answer those questions, so everybody would be so much better informed.

So I do not think that there is a lot of weight in what has been put in regard to the problems that the Opposition sees in having a parliamentary committee. I am sure members of the Opposition would be anxious to joint in that Committee and I have no doubt that when they do they will see that the valuable work done by ASIO is to be applauded. The Organisation does a tremendous amount of work for which it gets no credit or recognition. There are extremist operations right throughout the world—operations of both the extreme left and the extreme right—and terrorist influences can endanger life and limb in this country. In fact, that has happened. So in that regard the Organisation has a very important role to play in this country. So

it is important when we talk about the value of the Organisation to remember that it does relate to internal security and to all the the difficulties inherent in the gathering of intelligence. As one who now has some knowledge of those terrorist activities, I can say that they are not declining. Regrettably, they are increasing. That is a problem for the world. So everybody has a role to play in order to give added support to the Organisation, which is of great significance to the democratic future of Australia.

I do not see why, when we talk about the issue of the Inspector-General, we ought to be talking generally about a sunset clause or human rights violations, as the Inspector-General's role should not be limited in time. Human rights violations seem to be misunderstood. At present the Human Rights Commission would have a chance to look at these matters under its own charter, and these provisions merely say that these matters will not be looked at by the Human Rights Commission; they will be looked at by the Inspector-General. I would have thought that the Opposition might think that that was worth while, because it has very little good to say about the Human Rights Commission. Again it is a matter of whether there is any objection to the Attorney-General giving any directions to ASIO. There is always an opportunity for an Attorney-General to give directions and the balance here struck is that, if he does give a direction, it can be looked at by the Inspector-General and also of course there would be a reference of that direction to the Prime Minister, which in turn means that the Leader of the Opposition would also be informed. So I do not see where we would have any difficulty in that regard.

I think that what we have had here is a reasonable debate with a few suggestions to the effect that the problems bedevilling the Organisation have suddenly come upon it. The Organisation is very strong, very healthy, under new leadership and it needs the support of the Parliament. That it will get. There is now an opportunity for a parliamentary committee to be involved with it and there will be reports from the Inspector-General.

I note that some amendments will be moved. I think I can foreshadow that we would support the content of the amendment to the Inspector-General of Intelligence and Security Bill, which proposes a new clause 17A. The Government proposes its own amendment in language different from that proposed by the honourable member for North Sydney. With the leave of the chamber I will be moving something similar, a

little different in wording, to pick up that amendment. I do not think we can agree with the rest of the Opposition's proposed amendments, but we will debate them in Committee.

Question resolved in the affirmative.

Bill read a second time

In Committee

Clauses 1 to 6—by leave—taken together.

Mr SPENDER (North Sydney) (9.30)—by leave—I move:

(1) Clause 3, page 2, lines 24 and 25, omit the definition of 'human rights'.

(2) Clause 4, page 3, lines 35 and 36, omit paragraph (b).

(3) Clause 8, page 5, lines 4-7, omit sub-paragraph (1) (a) (v).

(4) Clause 8, page 5, lines 23-31, omit paragraph (d).

(5) Clause 8, page 5, lines 43-46, omit sub-paragraph (2) (a) (iv).

(6) Clause 8, page 6, lines 19-22, omit sub-paragraph (3) (b) (i).

Briefly stated, the amendments are designed to exclude from the matters that may be referred to the Inspector-General any matter of complaint concerning an act or practice that is alleged to infringe a human right. We move these amendments not because we are opposed to human rights—on the contrary, we support them and we always have—but for the reasons I outlined in my speech during the second reading debate. It is the nature of all the organisations with which we are concerned that there will be occasions, in the proper and legitimate exercise of their functions, when they will be required in the interests of the security and the people of this country to infringe human rights. It is our view that these matters should not be a subject for the Inspector-General to inquire into.

As to the matter raised by the Attorney-General, we remind him that the present Human Rights Commission Act is due to expire on a certain day and we certainly would not permit, in any legislation to be introduced into this House when we have the carriage of legislation, that there should be inquiries of the kind contemplated by the Bill, that is, inquiries into practices alleged to be contrary to human rights. It is perfectly absurd and quite obnoxious that that kind of inquiry should be directed against an intelligence organisation. If that is the Government's view of an intelligence or security organisation, it may as well scrap it and go back to playing marbles, and hope that marbles will be an appropriate substitute for intelligence.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (9.32)—The honourable member for North Sydney (Mr Spender) is saying that it is not in order for the Human Rights Commission to investigate any act or practice alleged to infringe a human right, nor is it in order for the Inspector-General to do so. At present the act or practice could be investigated by the Human Rights Commission. The intention of the legislation—I do not think the honourable member would disagree with this—is that the Human Rights Commission will not be able to investigate it but the Inspector-General will. That is the difference. At present there is in the Human Rights Commission an opportunity to investigate these acts and practices. A valid submission has been made that that should not be the case. Accordingly, the Bill removes from the Human Rights Commission the opportunity to consider such acts and practices and places that function under the role of the Inspector-General. We see the role of the Inspector-General as being able to investigate any such matter that normally might be referred to the Human Rights Commission. I see no reason why we should not leave it at that.

The honourable gentleman has objections to the Human Rights Commission and has expressed the view that perhaps it might expire with the effluxion of time. That is a matter for Parliament, and another debate.

Mr Spender—And its powers are circumscribed in any event.

Mr LIONEL BOWEN—Yes, but the reason behind that is to prevent the Human Rights Commission from coming into this area. That is the present thrust of the legislation. It guarantees that whilst there can be some surveillance of ASIO in terms of human rights, it will be done by the Inspector-General. The Government is anxious to see it done in that way, and not left to the Human Rights Commission.

Mr KATTER (Kennedy) (9.35)—Something has been lost sight of in this debate. The Attorney-General (Mr Lionel Bowen), for whom I have great respect, commented a little while ago that it was of some concern to members on this side of the House and others that Australian Security Intelligence Organisation morale was low because of the transfer of its headquarters from Melbourne to Canberra. The matter goes beyond that. I see this Bill with grave apprehension, as I rather imagine many people who have had an opportunity of perhaps probing a little deeper than the average citizen would see it. I detect a difference of opinion in the ranks of the

Government. I might cite your remarks, Mr Chairman, and the remarks of the honourable member for Herbert (Mr Lindsay), which were in great contrast to the remarks of the honourable member for Hotham (Mr Kent). There were two diverging approaches. One was to assess the situation reasonably. The other was extremely inflammatory.

The operations of ASIO inevitably must be kept, to a very high degree, under wraps. There has been a lengthy campaign by powerful communist and socialist influences to dismantle the intelligence and national security agencies throughout the Western world. This campaign has had the full and unqualified support of many irresponsible sections of the media. One could be forgiven for gaining the impression that some of these people are hell-bent on discrediting organisations such as ASIO and the Central Intelligence Agency almost with crusading fervour. Strange to relate—perhaps not strange to relate; it is pretty obvious, I suppose, as it has been going on for years—they remain peculiarly silent in relation to the critical disregard for human life and liberty in other countries where horror is rampant. Regrettably, President Carter, with some sort of illusion that one could compromise on these matters, dismantled the basic, fundamental authority of the CIA. If we are vigilant, if we are worried, if we have all these amendments coming forward, it is because we are concerned. It is no good saying one thing and meaning another. Is anyone honestly going to suggest that the authority of ASIO has not been undermined?

When Lionel Murphy conducted his raid on ASIO it was one of the most dramatic moments in history. It was the crossroads. I am sure that the Attorney-General, being the man he is, would have to evaluate it in that way. How could any country again feel that it could exchange matters of top, fundamental, basic security with a country where a raid had occurred, jackboots and all, with the ferocity one would expect to find in a country very different from ours, a raid which exposed secrets of this nation? When I was sworn in as Minister for the Army I went through, as any honourable member associated with the defence spectrum would know, a very intimate type of briefing. I was amazed to find that, such secrets being all around us and such security being impeccably observed, the custodians of those matters were members of ASIO. I suppose we could be forgiven if countries such as the United States of America, Britain and Canada, from the sad moment in history when the ASIO raid took place, were very reluctant

and hesitant to exchange with us the sort of information I am talking about.

Let us consider the Inspector-General of Intelligence and Security Bill and distinguish its message, which I feel is loud and distinct. The message states, and I beg to be corrected by the Attorney-General if it is not correct:

What we say is that there will be a greater trust in ASIO. What is the situation now? Do we distrust ASIO? Do we say to ASIO: 'You have to prove yourself; you have to prove you are not intruding into our privacy; you have to prove to us that you do not have some sort of an association with the CIA'—which is a dirty name—the custodians, those who counter the espionage, infiltration and messy intrusion into our affairs by the Soviet Union. This Bill says that ASIO has to prove that it can be trusted, and that there will be greater powers to observe and to control its operations. That is how I see it.

The honourable member for Herbert mentioned a man for whom I have tremendous admiration. My brother and I were thrown out of a hall one night because we wanted to fight a group of people who had the audacity to call Ben Chifley a commo. Ben Chifley made a great impact on this nation. According to the honourable member for Herbert, Chifley said that we must be absolutely free from bias or political influence. The Inspector-General will operate within the Department of the Prime Minister and Cabinet, but it does not end there. He will be responsible—maybe I am misinterpreting this—to another group of Ministers. Does that suggest political influence? Does that suggest that once again we have to observe these characters who may be intruding into our civil liberty? I say that ASIO protects the liberty of this nation.

I say finally that great shame—I am sure many men on that side of the House would agree with me—must fall on all who would so contribute to the destruction of ASIO's activities which must inevitably not be exposed to the people of our nation or any other nation. What has been our proudest asset must be preserved—that is, our ability to preserve our security and our safety. I oppose the basic contents of the Bill. As yet I have not had time to carefully examine the clauses of the Bill. However, I have one basic principle in all of this, and I conclude on this note: Hands off any aspect of ASIO's operations interference with which would do two things. The first would be to suggest to the Australian public that ASIO is the enemy, or at

least the intruder in this nation. The second would be to expose its activities. For Heaven's sake avoid that.

Mr ROCHER (Curtin) (9.43)—In the case he stated against the amendments moved by my colleague the honourable member for North Sydney (Mr Spender), the Attorney-General (Mr Lionel Bowen) seemed to put a particular interpretation—if I might say so, a peculiar interpretation—on what is proposed by the Government; that is, that at complaint about an act or practice of a security or intelligence agency will be investigated by the Inspector-General rather than the Human Rights Commission. That, of course, is a useful reform, if only in the sense that anything is better than the oversight of anything by the Human Rights Commission or its likely successor, the Human Rights and Equal Opportunities Commission. Anything would be better than that, given the Commission's track record in a number of areas. But, put simply, I feel that while those we entrust with our security must respect the nature of the society which they serve, we as a community owe them the courtesy of serious and intelligence support in return. By stipulating that the clause we seek to amend is designed to cover that particular set of circumstances and will somehow give comfort to the intelligence agencies in general, and ASIO in particular, is a pure nonsense.

I note that the Government claims it is moving to strengthen ASIO and related security agencies and claims it is taking steps to allow for what the Attorney-General, in one of his second reading speeches, advises is to be 'considerably increased scrutiny of the intelligence and security agencies'. According to the Attorney, it is proposed to ensure that the agencies are made more accountable and that their functions are delineated. The proposal to impose an Inspector-General in that process in the hope—the forlorn hope, I suspect—of making these agencies more accountable, is, to say the least, dubious. The Opposition has announced, through the agency of my colleague the honourable member for North Sydney, that that is something to which we do not subscribe. To compound that imposition or potentially intrusion of the Inspector-General with the establishment of a parliamentary committee takes it right outside the parameters which, as an Opposition, we find acceptable.

While the various reviews of the intelligence and security community, again in the Attorney's words, pointed 'to the need for a clearer public statement of purpose, more visibility, greater oversight and accountability, all aimed at demysti-

fying and increasing public confidence', the Government has gone on to provide for 'a more careful definition and limitation of ASIO's functions and activities. If the appointment or installation of an Inspector-General justifies the second of those stated and somewhat contradictory aims, given the actual provisions of the Bills and not just the main one we are talking about, those aims are very hard for an ordinary person to discern. I do not think the general public will be persuaded—those who are informed and interested—and I do not think the agencies will be persuaded. I suppose in the long run that is what we want to achieve, because, amongst other things—I am not sure it has been touched on in debate, but it is quite appropriated to mention this in Committee, because clause 1 deals with the title of the Bill—above all, as a nation, through our intelligence agencies we have a need, indeed, a duty, to establish relationships with similarly minded agencies from allied countries. It is important for the effectiveness of our own operation as well as for the preservation of the goodwill and co-operation that already exists, that we have intelligence gathering agencies in this country which will encourage that association which has existed in the past to endure.

I am not sure that the Central Intelligence Agency or the United Kingdom's equivalent of ASIO or our other intelligence gathering agencies will be very impressed that we have interposed and Inspector-General in the process. They might very well take the few that that is a constraint on the extent to which they will exchange information with us. That may not be so, of course, but there is nothing in the Attorney's remarks which would give me any confidence that that is not so. I wonder just how much we have consulted with our allies and how much advice we have taken about our relationship with the intelligence gatherers with whom we compare notes and swap information. I have read or heard nothing in this debate so far which gives me any confidence that we may preserve that very important connection with our allies. Without having any detailed information—most of us in this chamber do not have such information—I have no doubt as to the type and worthiness of the information that we gather in collusion with our allies and their agencies.

The appointment of an inspector-general and the role that he is to be assigned would give our allies cause for second thoughts. I wonder whether we have thought also about what they might think about the imposition of a parliamentary committee allegedly to oversee the affairs of our intelligence agencies. It is a bit like the

measures we have taken in connection with the National Crime Authority. If that and the parliamentary committee get to know too much, ASIO will be effectively gelded. It will be debilitated in its power and its operations. If a parliamentary committee should know too much in terms of operations, names et cetera, there is no doubt that it would pose a security threat. This place leaks like a sieve: The Labor Party does when it suits it and so does our side when someone wants to make point of one sort or another, whether it be political or in terms of national security. On the other hand, if a parliamentary committee knows too little it is pointless having it. The role assigned to such a committee, if it is given too little information—as is the case with the National Crime Authority—would effectively be a nonsense. It could not be provided, quite properly I suspect, with all the information that it needed to undertake the role assigned to it by legislation, and so it would be with a parliamentary committee to oversee our security operations. I support very sincerely and strongly the honourable member for North Sydney and the amendments he has moved in this connection.

Mr KENT (Hotham) (9.53)—Like the previous speaker, I oppose the amendments moved by the honourable member for North Sydney (Mr Spender). We heard from the previous speaker the problem that would be caused if we established a parliamentary committee to oversee the operation of the Australian Security Intelligence Organisation. If the committee knows too much it will not be any good, but otherwise what will be the purpose, the honourable member asked. Unless this Parliament knows what is going on in this country we can be sold down the drain by a security organisation which has no control over it.

Mr Peacock—The Minister is in control, supposedly.

Mr KENT—But the body to control it is this Parliament. I thought that in a democracy it was the Parliament and not the Executive that was supreme. I am surprised to hear the view of so-called democrats opposite, the so-called small 'l' liberals, that it is the Executive that is supreme, not the Parliament. If we accept that, we will accept Big Brother and accept that ASIO can do what it wants to do.

What exactly did ASIO do under the Liberal Administration? It foisted on us a number of war criminals, as I said in my speech to the second reading stage. They came in quite freely and were unhindered by Australia's security or-

ganisation that was paid by this nation to screen such people. At that time the Government was not worried that mass killers were allowed into this country. That was bad enough, but it was even worse than that. They were assisted to set up organisations here. They were unhindered in setting up organisations whose headquarters today in the suburb of Footscray and the south-western suburbs of Melbourne bear the name of Ante Pavelic. I do not know whether I have to explain to the honourable member for Kooyong (Mr Peacock) what the name Ante Pavelic means. To Yugoslavs it means exactly what Adolf Hitler means to others. There is no law against the placement of the name of Adolf Hitler on a building. That can be done. There is no law against war crimes in Australia—of course there is none. But the security agencies should have known who those people were and they should have, if not impeded at least not assisted the organisations involved.

We have in Australia secret organisations from which today my family and I receive death threats. In the past what was done to protect me? When I asked, back in the 1960s, that these organisations be investigated, they investigated me, not the organisations. They investigated the person who had complained about them. In relation to these matters, I expect and I hope that the security organisation now will change things, that it is under better control under our Labor Government. That is exactly what this Bill is going to do; it will put it under scrutiny.

Members opposite have insinuated that that will not be any good because within the Labor Party there are some left wing people who are not patriots. Well, I am from the left wing, and I question the sincerity of members opposite. What sort of patriots were they in 1939 when they sold out this country to the imperial Japanese? What did they do then? Where were members opposite then? Where were they on other occasions when this country needed someone to defend it? The people of Australia turned to the Labor Party; they turned to people like me to defend the country in its hour of need, and they will do so again because they know they can trust us.

It is no good for members opposite to parade around with the flag; people do not believe that any more. Members opposite can go around and beat the communist can and can talk about the red menace, but it is not as simple as it used to be. The people of Australia are not as uninformed as they used to be. They will not be misled with propaganda of red and yellow ar-

rows. I remember the literature that was issued with the yellow arrows coming down from the north and engulfing us. The next thing, members opposite were running every second day to Peking with their delegations and talking to them. I have nothing against that, but members opposite should not tell us that we are not patriots and that someone like me cannot be trusted with the security of this country. I would volunteer, even at my age, to fight for it.

I will not cop members opposite using the security service to put out adverse reports on my because I do not happen to be a conservative. That was done, and members opposite know very well about this. I brought up two names here today in my speech at the second reading stage—the honourable John Sgro, a member of the Legislative Council in Victoria, and Theo Sidoropoulos, the member for Richmond in Victoria. They were refused citizenship in this country on the basis of adverse ASIO reports, which at that time was run by a Liberal government and ordered by it to spy on people who were not on exactly the same ideological wavelength as that of that government. That is what was considered to be subversive. However, what I consider to be subversive is a reactionary government which before the war sat there and saw the Japanese threat but did not do a thing against it. That is what I consider to be subversive and a threat to the security of this nation—not someone who is not on exactly the same ideological wavelength as that of another party.

Mr HODGMAN (Denison) (10.00)—The illustrious Sir Winston Churchill once said that no higher obligation fell on the shoulders of any member of parliament than to defend the national security. It is in the context of those remarks that I rise to support the Opposition amendments moved by the shadow Attorney-General, the honourable member for North Sydney (Mr Spender). I know that he will not mind my saying that, not only do I agree with the amendments, I would like to see them going even further. But, having said that, I have to mention briefly that the overall effect of the legislation and the circumstances in which this Government deems it appropriate to ask this Parliament to legislate will mean that the Australian Security Intelligence Organisation will be subject to an Inspector-General as set out in Part II of the Bill, and in particular subject to the powers of the Inspector-General as set out in clause 8. I ask the question from the outset as to whether we do a service to ASIO by making it subject to an Inspector-General.

It seems to me that the Inspector-General, as described by the Attorney-General (Mr Lionel Bowen) in the second reading speech as a grievance mechanism, is a sort of ombudsman or minder. I have to say quite bluntly that I do not think his existence—or her existence in this new regime under which we operate, in the non-sexist times of the Hawke socialist Government—will enhance the operations of ASIO. In fact, I think that an Inspector-General by very nature will make it more difficult for ASIO to carry out a task which is a very difficult one indeed.

As for the proposition of the parliamentary committee overruling, I completely support the remarks made by the honourable member for North Sydney and the honourable member for Curtin (Mr Rocher). Either the committee will be told so much that it will effectively caponise or castrate ASIO's functions or its capacity to carry out those functions, or the parliamentary committee will be told nothing, in which case it will be a total waste of time, a sham and a public deception.

It is a matter of great scandal and disgrace that in the original Bill the Government saw fit to bring in the provisions of clause 8 (1) (d). I am delighted that the honourable member for North Sydney on behalf of the Opposition is moving an amendment to delete that paragraph. I do not need to go into detail, except to say that in my humble opinion that clause would have created a situation where the Inspector-General's activities, pursuant to the provisions of paragraph (d), could have completely frustrated, interfered with and brought down investigations being carried out by ASIO.

Worse still, it gave the Inspector-General a power to second-guess, to check and in certain cases to contravene a direction given by the Minister. How little faith this Government had in the Minister in charge of ASIO when it could actually legislate for such a thing. Did the Government do it with its eyes open, or was it that somebody very smart, serving the purposes of the political Left, serving the purposes of those who would like to see ASIO not just emasculated but destroyed, slipped this in? I do not believe that the Attorney-General, who has held the office of Acting Prime Minister for this country, really supported paragraph (d). When one looks at it carefully, one sees that it demonstrates that whoever drafted it said that the Inspector-General is there not only to mind, overview and keep in check ASIO, but also to second-guess, mind and overview ASIO's Minister.

Furthermore, there is an amendment to clause 17, which the honourable member for North Sydney will move and which I strongly support. I shall not go into that amendment chapter and verse, because once again we have been asked to restrict our contributions.

The DEPUTY CHAIRMAN (Mr Rud-dock)—Order! The honourable member—

Mr HODGMAN—This is by analogy, Mr Deputy Chairman.

Mr Lionel Bowen—No.

Mr HODGMAN—Do you want me to get up again? It will take only one minute, by analogy. I can prove how, under this Bill if it goes through in its present form, it would have been lawful for the Inspector-General to advise Mr David Combe that his communications with Mr Ivanov were being intercepted. I shall not start to go into the detail now, but I can prove a situation in which under this legislation an Inspector-General could have conveyed to Mr Combe, at a very critical stage of the inquiries, information which would have made it clear to Mr Combe that ASIO was on to him and Mr Ivanov. That sort of legislation is not in the interests of this country.

This legislation, poor enough as it is, will be improved with the amendments of the honourable member of North Sydney. I hope that the Attorney-General and Deputy Prime Minister of this country will be game enough to admit the validity of the arguments put, otherwise we will finish up with a demoralised ASIO, diminished in strength and stature. I conclude by reminding the Committee—and these words will come back to haunt many people in years to come—that the idea of having an Inspector-General flows from the submission of the Australian Labor Party, left-wing dominated, Moscow corner, if one wants it in a nutshell, to Mr Justice Hope. It is Labor's submission, and Labor will live by the decision of this Parliament to establish that Inspector-General 20 years down the track.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (10.06)—I want to re-emphasise that the office of Inspector-General was recommended by Mr Justice Hope and is strongly supported by the Government. In fact, it was supported by the honourable member for North Sydney (Mr Spender), with the qualification that he did not want it extended to human rights violations. Let us get it very clear. For the life of me, I cannot understand the sort of nonsense that has just been spoken on the basis that there is no room for an Inspector-General. It was

recommended by Mr Justice Hope and supported by the Leader of the honourable member for Denison (Mr Hodgman) in this debate, with the qualification that it should not apply to human rights, and that is the reason for this amendment. The honourable member for Denison should focus his mind on what we are about and not wander off into all these vagaries.

Mr Hodgman—I raise a point of order, Mr Deputy Chairman. The Attorney-General has asked us, because of the incompetence of this Government, to restrict, our contributions. I spoke specifically on clause 8 (1)(d). I take offence at his remarks. The next time he asked people to contain their remarks, he will not get co-operation. If he wants us to go on for 20 minutes on every point, we will do it.

Mr DEPUTY CHAIRMAN—Order! There is no point of order.

Mr LIONEL BOWEN—I want to make the point very clear. I do not want to delay the honourable member for Denison, because he is easily excited. He spoke about the reasons for an Inspector-General. That is what he was about, and that is what I was addressing my remarks to. Perhaps he does not recall what he said, but in fact he did say that.

The other point at issue was as follows: On the question of the Human Rights and Equal Opportunity Commission Bill raised by the honourable member for Curtin (Mr Rocher), the Human Rights Commission can deal with these matters now. That is the very reason why we are giving the powers to the Inspector-General. There must be somebody who can assess the human rights position. I do not want to argue the situation any more, but we are all ad idem on the fact that the Opposition does not trust the Human Rights Commission and we are suggesting that it could equally be dealt with by an Inspector-General. That is the position. The Opposition is seeking to remove that. If the honourable member for Curtin stops pointing and listens, I will point out that there is a law that allows the Human Rights Commission to deal with these matters unless we have this legislation.

Mr Rocher—I know that, we accept that.

Mr LIONEL BOWEN—I am delighted to know that the honourable member knows it. If the honourable member knows it, he should be voting with the Government when it opposes these amendments.

Mr ROCHER (Curtin) (10.09)—I want to make the position clear. I do not think the Attorney-General heard what I said. I acknowl-

edged that anything was better than the involvement of the Human Rights Commission. I said that the solution he had proposed left me with serious reservations, and that is the creation of the post of Inspector-General. The Attorney-General can read the *Hansard* tomorrow, but I want to make that point very clear.

Question put:

That the amendments (Mr Spender's) be agreed to.
The Committee divided.

(The Deputy Chairman—Mr P. M. Ruddock)

Ayes	58
Noes	75
Majority	<u>17</u>

AYES

Adermann, A. E.
Aldred, K. J.
Andrew, J. N. (Teller)
Beale, J. H.
Blunt, C. W.
Braithwaite, R. A.
Brown, N. A.
Burr, M. A.
Cadman, A. G.
Cameron, Donald
Cameron, Ewen
Cameron, Ian
Carlton, J. J.
Coleman, W. P.
Connolly, D. M.
Conquest, B. J.
Cowan, D. B.
Dobie, J. D. M.
Downer, A. J. G.
Drummond, P. H.
Edwards, Harry
Everingham, P. A. E.
Fife, W. C.
Fischer, Tim
Goodluck, B. J.
Hall, Steele
Halverson, R. G.
Hawker, D. P. M.
Hicks, N. J. (Teller)

Hodges, J. C.
Hodgman, W. M.
Hunt, R. J. D.
Jull, D. F.
Katter, R. C.
Lloyd, B.
McArthur, F. S.
McGauran, P. J.
MacKellar, M. J. R.
McVeigh, D. T.
Miles, C. G.
Millar, P. C.
Moore, J. C.
Nehi, G. B.
Peacock, A. S.
Porter, J. R.
Reith, P. K.
Rocher, A. C.
Shack, P. D.
Shipton, R. F.
Sinclair, I. McC.
Slipper, P. N.
Smith, W.
Spender, J. M.
Tuckey, C. W.
Watson, David
Webster, A. P.
White, P. N. D.
Wilson, I. B. C.

NOES

Baldwin, P. J.
Beazley, K. C.
Beddall, D. P.
Bilney, G. N.
Blanchard, C. A.
Blewett, N.
Bowen, Lionel
Brown, John
Brown, Robert
Brumby, J. M.
Campbell, G.
Charles, D. E.
Charlesworth, R. I.
Chynoweth, R. L.
Clelland, P. R.
Cross, M. D.
Cunningham, B. T. (Teller)
Darling, E. E.
Dubois, S. G.
Duncan, P.
Edwards, Ronald
Fatin, W. F.
Fitzgibbon, E. J.
Free, R. V.
Gayler, J.
Gear, G.

Jones, Barry
Kelly, R. J.
Kent, L.
Keogh, L. J.
Kerin, J. C.
Klugman, R. E.
Lamb, A. H.
Langmore, J. V.
Lee, M.
Lindsay, E. J.
McHugh, J.
McLeay, Leo
Maher, M. J.
Martin, S. P.
Mayer, H.
Mildred, J. B.
Milton, P.
Morris, Allan
Morris, Peter
Mountford, J. G.
O'Keefe, N. P.
O'Neil, L. R. T.
Price, L. R. S.
Punch, G. F.
Saunderson, J.
Scolles, G. G. D.

NOES

Gorman, R. N. J.
Grace, E. L.
Griffiths, A. G.
Hand, G. L.
Hayden, W. G.
Holding, A. C.
Hollis, C.
Howe, B. L.
Hurford, C. J.
Jacobi, R.
Jakobsen, C. A.
Jenkins, H. A.

Scott, J. L. (Teller)
Simmons, D. W.
Snow, J. H.
Staples, P. R.
Theophanous, A. C.
Tickner, R. E.
Uren, T.
West, S. J.
Willis, R.
Wright, K. W.
Young, M. J.

PAIRS

Cohen, B.
Humphreys, B. C.
Dawkins, J. S.
Duffy, M. J.

Cobb, M. R.
Sullivan, K. J.
Macphee, I. M.
Robinson, T. L.

Question so resolved in the negative.

The DEPUTY CHAIRMAN (Mr Ruddock)—It being past 10.15 p.m., I shall report progress.

Progress reported.

ADJOURNMENT

Mr DEPUTY SPEAKER (Mr Leo McLeay)—Order! It being past 10.15 p.m., I propose the question:

That the House do now adjourn.

Mr Lionel Bowen—Mr Deputy Speaker, I require the question to be put forthwith without debate.

Question resolved in the negative.

INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY BILL 1986

In Committee

Consideration resumed.

Clauses 1 to 16—by leave—taken together, and agreed to.

Clause 17 (Conduct of inquiries).

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (10.18)—By leave—I move:

(1) Clause 17, page 10, lines 21 and 22, omit "or of a person".

(2) Clause 17, page 10, line 23, omit "or the person".

(3) Clause 17, page 10, after sub-clause (4) insert the following sub-clause:

"(4A) Where the Inspector-General proposes to set out in a report in relation to an inquiry conducted under this Act opinions that are, either expressly or impliedly, critical of a person, the Inspector-General shall, unless doing so would, in the opinion of the Inspector-General, prejudice security, the defence of Australia or Australia's relations with other countries, give the person a reasonable opportunity to appear before the Inspector-General and to make, either or

ally or in writing, submissions in relation to the matters that are the subject of the inquiry”.

(4) Clause 17, page 10, line 26, insert “or (4A)” after “sub-section (4)”.

The Opposition had proposed the sense of what we are about here. We had the draftsman look at the proposal, which has been altered to its present terms. I think that these amendments meet the intent of the proposal put by the honourable member for North Sydney (Mr Spender) for a clause 17A. I do not think that the amendments require any further explanation. They are a satisfactory solution to the problem.

Mr SPENDER (North Sydney) (10.19)—We proposed an amendment which effectively the Government has adopted but which is expressed in somewhat different language with which we agree. These amendments will prevent the Inspector-General from being placed in a position where he may otherwise have to reveal sensitive information to a person against whom he was to make a critical report. These amendments will close that loophole so that the Inspector-General will not have to provide an opportunity for a person to appear before him and have certain matters put to him relating to prejudicing security, the defence of Australia or Australia’s relations with other countries that might arise and might be disclosed. Therefore, the Government and the Opposition are in agreement on this matter. I thank the Attorney-General for agreeing with our amendment.

Amendments agreed to.

Remainder of Bill—by leave—taken as a whole.

Mr SPENDER (North Sydney) (10.21)—I move:

Page 18, after clause 36 add the following new clause:
Termination of Act

“36A (1) This Act, unless sooner repealed, shall cease to be in force at the expiration of the period of 3 years after the date of commencement of this Act.

(2) For the purposes of section 8 of the *Acts Interpretation Act 1901*, when this Act ceases to be in force by virtue of sub-section (1), it shall thereupon be deemed to have been repealed by an Act other than this Act.”

This final amendment of the Opposition proposes a sunset clause to the Inspector-General of Intelligence and Security Bill. In my speech at the second reading stage I outlined the reasons for this sunset amendment, which effectively proposes that unless the Act is sooner repealed it shall expire three years after its commencement. We propose this because we think there are good reasons for doing so in this Bill. The operations of the Bill require it to be monitored

and reviewed. The Bill is of such a nature that it proposes sufficiently serious changes to warrant the kind of oversight we propose. If it is necessary to change the legislation before three years, since we will be in government, we will do it. However, in any event at the end of three years the Act will come to an end, but before that we can thoroughly review what is in the best interests of the Australian people, the Australian Security Intelligence Organisation and other intelligence organisations. I understand that the Government will not agree to this provision. It is a pity because the Government should understand, as we understand, that we cannot foresee how these provisions will work. It is very good to pass legislation of this kind and to put a limit on its effect so that a review is forced and Parliament is forced to concentrate its mind once again on the problems.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (10.23)—The Government does not accept the amendment. I emphasise again—I have said this already—that the establishment of the position of Inspector-General was recommended by Mr Justice Hope and is strongly supported by the Government. Mr Justice Hope took into consideration all the difficulties that an intelligence organisation may have to put up with over a period of years. It is well known that creating an office of Inspector-General gives added strength to the Australian Security Intelligence Organisation; it in no way weakens it. It gives it the opportunity to say that it is acting in accordance with the law.

I rebut the suggestion that has been made from time to time that in the past acts may have been done in accordance with what may have been deemed to be intelligence but which may have been contrary to the charter of the Organisation. This measure is a complete safeguard, a complete insurance, against that. Accordingly, that is why Mr Justice Hope recommended it and it is the reason why we reject the Opposition’s amendment.

Question put:

That the amendment (Mr Spender’s) be agreed to.

The Committee divided.

(The Deputy Chairman—Mr P. M. Ruddock)

Ayes	58
Noes	74
Majority	16

AYES

Adermann, A. E.
Aldred, K. J.
Andrew, J. N. (Teller)

Hodges, J. C.
Hodgman, W. M.
Hunt, R. J. D.

AYES

Beale, J. H.
Blunt, C. W.
Braithwaite, R. A.
Brown, N. A.
Burr, M. A.
Cadman, A. G.
Cameron, Donald
Cameron, Ewen
Cameron, Ian
Carlton, J. J.
Coleman, W. P.
Connolly, D. M.
Conquest, B. J.
Cowan, D. B.
Dobie, J. D. M.
Downer, A. J. G.
Drummond, P. H.
Edwards, Harry
Everingham, P. A. E.
Fife, W. C.
Fischer, Tim
Goodluck, B. J.
Hall, Steele
Halverson, R. G.
Hawker, D. P. M.
Hicks, N. J. (Teller)

Jull, D. F.
Lloyd, B.
McArthur, F. S.
McGauran, P. J.
MacKellar, M. J. R.
McVeigh, D. T.
Miles, C. G.
Millar, P. C.
Moore, J. C.
Nehl, G. B.
Peacock, A. S.
Porter, J. R.
Reith, P. K.
Rocher, A. C.
Shack, P. D.
Sharp, J.
Shipton, R. F.
Sinclair, I. McC.
Slipper, P. N.
Smith, W.
Spender, J. M.
Tuckey, C. W.
Watson, David
Webster, A. P.
White, P. N. D.
Wilson, I. B. C.

NOES

Baldwin, P. J.
Beazley, K. C.
Beddall, D. P.
Bilney, G. N.
Blanchard, C. A.
Blewett, N.
Bowen, Lionel
Brown, John
Brown, Robert
Brumby, J. M.
Campbell, G.
Charles, D. E.
Charlesworth, R. I.
Chynoweth, R. L.
Cleeland, P. R.
Cross, M. D.
Cunningham, B. T. (Teller)
Darling, E. E.
Dubois, S. G.
Duncan, P.
Edwards, Ronald
Fatin, W. F.
Fitzgibbon, E. J.
Free, R. V.
Gayler, J.
Gear, G.
Grace, E. L.
Griffiths, A. G.
Hand, G. L.
Hayden, W. G.
Holding, A. C.
Hollis, C.
Howe, B. L.
Hurford, C. J.
Jacobi, R.
Jakobsen, C. A.
Jenkins, H. A.

Jones, Barry
Kelly, R. J.
Kent, L.
Keogh, L. J.
Kerin, J. C.
Klugman, R. E.
Lamb, A. H.
Langmore, J. V.
Lee, M.
Lindsay, E. J.
McHugh, J.
McLeay, Leo
Maher, M. J.
Martin, S. P.
Mayer, H.
Mildren, J. B.
Milton, P.
Morris, Allan
Morris, Peter
Mountford, J. G.
O'Keefe, N. P.
O'Neil, L. R. T.
Price, L. R. S.
Punch, G. F.
Saunderson, J.
Scholes, G. G. D.
Scott, J. L. (Teller)
Simmons, D. W.
Snow, J. H.
Staples, P. R.
Theophanous, A. C.
Tickner, R. E.
Uren, T.
West, S. J.
Willis, R.
Wright, K. W.
Young, M. J.

PAIRS

Cohen, B.
Humphreys, B. C.
Dawkins, J. S.
Duffy, M. G.

Cobb, M. R.
Sullivan, K. J.
Macphée, I. M.
Robinson, I. L.

Question so resolved in the negative.
Remainder of Bill agreed to.
Bill, as amended, agreed to.

Bill reported with amendments; report—by leave—adopted.

Third Reading

Bill (on motion by Mr Lionel Bowen)—by leave—read a third time.

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION AMENDMENT BILL 1986

Second Reading

Debate resumed from 22 May, on motion by Mr Lionel Bowen;

That the Bill be now read a second time.

Question put:

That the Bill be now read a second time.

The House divided.

(Mr Deputy Speaker—Mr Leo McLeay)

Ayes	74
Noes	56
Majority	18

AYES

Baldwin, P. J.
Beazley, K. C.
Beddall, D. P.
Bilney, G. N.
Blanchard, C. A.
Blewett, N.
Bowen, Lionel
Brown, John
Brown, Robert
Brumby, J. M.
Campbell, G.
Charles, D. E.
Charlesworth, R. I.
Chynoweth, R. L.
Cleeland, P. R.
Cross, M. D.
Cunningham, B. T. (Teller)
Darling, E. E.
Dubois, S. G.
Duncan, P.
Edwards, Ronald
Fatin, W. F.
Fitzgibbon, E. J.
Free, R. V.
Gayler, J.
Gear, G.
Gorman, R. N. J.
Grace, E. L.
Griffiths, A. G.
Hand, G. L.
Hayden, W. G.
Holding, A. C.
Hollis, C.
Howe, B. L.
Hurford, C. J.
Jacobi, R.
Jakobsen, C. A.

Jenkins, H. A.
Jones, Barry
Kelly, R. J.
Kent, L.
Keogh, L. J.
Kerin, J. C.
Klugman, R. E.
Lamb, A. H.
Langmore, J. V.
Lee, M.
Lindsay, E. J.
McHugh, J.
Maher, M. J.
Martin, S. P.
Mayer, H.
Mildren, J. B.
Milton, P.
Morris, Allan
Morris, Peter
Mountford, J. G.
O'Keefe, N. P.
O'Neil, L. R. T.
Price, L. R. S.
Punch, G. F.
Saunderson, J.
Scholes, G. G. D.
Scott, J. L. (Teller)
Simmons, D. W.
Snow, J. H.
Staples, P. R.
Theophanous, A. C.
Tickner, R. E.
Uren, T.
West, S. J.
Willis, R.
Wright, K. W.
Young, M. J.

NOES

Aldred, K. J.
Andrew, J. N. (Teller)
Beale, J. H.
Blunt, C. W.
Braithwaite, R. A.
Brown, N. A.
Burr, M. A.

Hodges, J. C.
Hodgman, W. M.
Hunt, R. J. D.
Jull, D. F.
McArthur, F. S.
McGauran, P. J.
MacKellar, M. J. R.

NOES

.Cadman, A. G.	McVeigh, D. T.
Cameron, Donald	Miles, C. G.
Cameron, Ewen	Millar, P. C.
Cameron, Ian	Nehl, G. B.
Carlton, J. J.	Peacock, A. S.
Coleman, W. P.	Porter, J. R.
Connolly, D. M.	Reith, P. K.
Conquest, B. J.	Rocher, A. C.
Cowan, D. B.	Ruddock, P. M.
Dobie, J. D. M.	Shack, P. D.
Downer, A. J. G.	Sharpe, J.
Drummond, P. H.	Shipton, R. F.
Edwards, Harry	Sinclair, I. McC.
Everingham, P. A. E.	Slipper, P. N.
Fife, W. C.	Smith, W.
Fischer, Tim	Spender, J. M.
Goodluck, B. J.	Tuckey, C. W.
Hall, Steele	Watson, David
Halverson, R. G.	Webster, A. P.
Hawker, D. P. M.	White, P. N. D.
Hicks, N. J. (Teller)	Wilson, I. B. C.

PAIRS

Cohen, B.	Cobb, M. R.
Humphreys, B. C.	Sullivan, K. J.
Dawkins, J. S.	Macphree, I. M.
Duffy, M. J.	Robinson, I. L.

Question so resolved in the affirmative.

Bill read a second time.

In Committee

Clauses 1 to 4—by leave—taken together, and agreed to.

Clause 5 (Control of Organization).

Mr SPENDER (North Sydney) (10.41)—The Opposition opposes the amendment that the Government seeks to make to the Australian Security Intelligence Organization Act 1979 by clause 5. The opposition is a very basic one. It goes to the effect that the amendment will have on the functions of the Attorney-General and the powers of the Director-General. As the law now stands, in the first place the Director-General is subject only to the general directions of the Minister. What the Government proposes in place of that is that the Director-General is to be subjected to, not the general direction, but the directions, of the Minister.

Secondly, under the present Act the Minister is not empowered to override the opinion of the Director-General on any question of whether the collection of intelligence by the Australian Security Intelligence Organisation concerning a particular individual would or would not be justified or on a question of whether the communication of intelligence concerning a particular individual would be for a purpose relevant to security. In short, the Attorney-General cannot direct the Director-General to investigate particular individuals or as to what communication should be made by the Director-General concerning individuals. That is to be done away

with. The Attorney-General (Mr Lionel Bowen) will argue that the way in which it is to be done away with is unexceptionable.

What is proposed under this amendment in the Australian Security Intelligence Organization Amendment Bill is that the Minister may override the opinion of the Director-General and direct the Director-General to collect intelligence concerning a particular individual or to communicate intelligence concerning a particular individual as long as he does that in writing. The Minister says: 'Well, the answer is simple: The Minister must then give a copy of the direction to the Inspector-General of Intelligence and to the Prime Minister'. It does not really assist us that the Prime Minister will get a copy of the direction. The protection as far as the Prime Minister is concerned is meaningless because presumably the Attorney-General would be acting with the concurrence of the Prime Minister. It therefore assumes that all protection is to be obtained from the Director-General. But that misses the fundamental point, which is that the Attorney-General should not be in a position of being able to direct the Director-General of ASIO to hunt up intelligence on particular individuals or to communicate its intelligence concerning particular individuals. Here we have quite clearly the intrusion on political control. Political control should not exist; the Director-General's autonomy should remain. The Opposition opposes the proposed amendment in this clause.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (10.46)—It was appropriately explained that at present the Act does provide for the Director-General to act in the way to which the honourable member for North Sydney (Mr Spender) referred. What we are trying to do is to give the Attorney-General an opportunity to give directions if the occasion should arise, but to do it with a qualification that, should any directions be given, at least a copy of them would be given to the Inspector-General and to the Prime Minister. At present the Minister cannot override the opinion of the Director-General. This amendment gives an opportunity to so override provided that any such direction is made known to the Inspector-General and also to the Prime Minister. I say that that in turn virtually means also to the Leader of the Opposition. So there is a sanction on where directions can be given. It also assists in that a conscientious Attorney-General may decide, in certain cases where it relates to the issue of the collection of intelligence concerning a particular individual, that directions ought to be given. But there is a balance. If directions are to be given,

they will be known and there will have to be justification for them. In the past there has been an implication that perhaps there may have been attempts to give directions. This could well have affected the independence of the agents. I leave it at that because there has been no direct evidence of it. But in the past evidence may have been attempted to be collected by directions being given. That would not be a fair administration of the Act. Accordingly now, if directions are to be given, they will be known. They will be known to the Opposition through the report of the Inspector-General. For those reasons we think there are adequate safeguards. It in no way weakens the agency's operations.

Clause agreed to.

Clause 6.

Mr SPENDER (North Sydney) (10.48)—This is a consequential amendment. There is such silence at this time of the night that I feel almost impelled to continue. But the amendment is consequential only and I have nothing further to say about it.

Clause agreed to.

Clauses 7 to 38—by leave—taken together, and agreed to.

Clause 39.

Mr SPENDER (North Sydney) (10.49)—The objection of the Opposition has already been stated. The amendments in question would introduce the Parliamentary Joint Committee on the Australian Security Intelligence Organization. I do not want to cover the ground that has already been covered but I do wish to ask the Attorney-General (Mr Lionel Bowen) one simple question and I would be glad if the honourable gentleman would answer it. How can we guarantee that leaks will not take place from this Committee? Given the sensitive nature of the material that the Committee will obviously have access to, because the Bill specifically refers to the kind of material that it will see, what kind of damage can leaks cause? Is it not the case that leaks of highly sensitive information could do great damage, and is it not the case, as we all know, that leaks around this House, regardless of where they come from, are almost impossible to track down? I would be obliged if the honourable gentleman would concentrate on one simple proposition: How can he guarantee the security of this Committee?

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (10.50)—The question was posed in simple terms; I do not know whether an answer in the same terms will be accepted.

Honourable members should bear in mind that the functions of the Joint Parliamentary Committee on the Australian Security Intelligence Organisation do not involve, for example, sensitive information. Of course, there is also the fact that a certificate by the Minister would prevent evidence from going before the Committee if he did not think it fit. Nevertheless we want the Committee to have a proper function and to be able to discuss legitimately matters that would be of concern to a parliament, bearing in mind that one cannot readily ask about security matters in open Question Time because of security. It would enable parliamentary representatives to discuss matters on a confidential basis. Members of parliament all have aspirations of being Ministers one day, and of course they would then have the added responsibility of confidentiality and secrecy.

Of course, if there are leaks and breaches, there is a penalty. As the honourable gentleman knows, the penalty is imprisonment for two years and a fine of \$5,000, which is a pretty heavy sanction on a member of parliament.

Mr Spender—Yes, and what Attorney-General will authorise the prosecution of a member of parliament?

Mr LIONEL BOWEN—Every Attorney-General would do his job. The honourable member knows that. The point he raises is whether there would be any evidence to prove it. Frankly, there is a role for the Parliament to play; there is role for an intelligent understanding of this matter. It would be a retrograde step if the Committee were appointed but failed to function in accordance with its charter, and there were leaks. That would bring the Committee into disrepute and the Parliament itself would not be able to continue the Committee's operation, so I am sure it would be discontinued. Under the sanctions provided, those involved in any breach would be dealt with in a criminal fashion and would lose their seats in this House.

Mr MILTON (La Trobe) (10.53)—I want to make a few comments. I was rather concerned about some of the remarks made by various honourable member speaking on the Inspector-General of Intelligence and Security Bill, but my comments relate to this Bill also. Apparently the opinion of those opposite is that socialism can be equated with communism. The honourable member for Kennedy (Mr Katter) seems to have that opinion. It seems also to be the opinion of people like the honourable member for Denison (Mr Hodgman). I point out that, if they had any understanding at all of socialist philosophy,

they would realise that it had nothing to do with communism whatsoever. It is important for people on this side of the chamber to draw attention to these things because when we are talking about a parliamentary committee it is important in respect of human rights—

Mr Hayden—Explain the difference.

Mr MILTON—The Minister asks me to explain the difference but I am afraid I could not do it within the 10 minutes allowed. It would take a long while to get home to those on the other side of the chamber the difference in philosophy involved.

If I may come back to the point of the Bill, the whole reason this side of the chamber wants to see the Joint Parliamentary Committee on the Australian Security Intelligence Organisation come into being is that it will have regard for the human rights of Australian citizens. That is what we are all about and that is why we require this Parliamentary Committee. We all know that those on the other side are keen to have secrecy. They want the Australian Security Intelligence Organisation to be shrouded in secrecy; they have a blind faith in these matters. Every other organisation of the Commonwealth Parliament is subject to scrutiny and I see no reason why the Australian Security Intelligence Organisation should not be subject to the same kind of scrutiny.

Clause agreed to.

Remainder of Bill—by leave—taken as a whole, and agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by **Mr Lionel Bowen**)—by leave—read a third time.

INTELLIGENCE AND SECURITY (CONSEQUENTIAL AMENDMENTS) BILL 1986

Second Reading

Consideration resumed.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The Bill.

Mr SPENDER (North Sydney) (10.57)—by leave—I move:

(1) Clause 11, page 3, lines 19-21, omit the clause, substitute the following clause:

Definition of seditious intention

“11. Section 24A of the Principal Act is amended—

(a) by adding at the end of paragraph (a) “or to excite disaffection against the Sovereign”; and

(b) by omitting paragraphs (b), (c) and (e).”

(2) Clause 19, page 4, proposed sub-section 9 (2A), lines 24-27, omit all words after “agency” (first occurring) to the end of the proposed sub-section.

(3) Clause 27, page 7, line 13, omit “Penalty: \$5,000 or imprisonment for 2 years”, substitute

“Penalty: \$25,000 or imprisonment for 5 years”.

Amendment No. 2 is consequential upon other amendments which have been moved. However, those amendments have been lost. It is a minor matter and I shall say nothing further about it. The other two amendments relate, firstly, to the definition of sedition and, secondly, to the penalty for illegal intercepts. As to the definition of sedition, it is proposed to amend the Crimes Act to change that definition and to include in it the necessity of establishing an intention; that is there must be an intention of causing violence or creating a public disorder or public disturbance. We have no quarrel with that. But in respect of seditious words, we do not believe that the provision relating to the use of seditious words with the intention of causing violence or creating a public disturbance or public disorder and exciting disaffection against the sovereign should be removed. We believe that the provision on exciting disaffection against the sovereign with the intention of causing violence or creating public disorder or public disturbance is right in a constitutional monarchy. So long as this country is a constitutional monarchy—and it will be for many years after this Government has become a footnote in the history books—that kind of provision should be in the Crimes Act.

Going to the second matter, we are all concerned by the misuse of intercepts. We have heard a great deal from Government members about misuse of intercepts. Quite some time ago the Attorney-General (**Mr Lionel Bowen**) was eloquent on the subject when he was castigating the police who had misused the power to intercept to obtain matter which became known as the *Age* tape material. It took a great deal of time, pressure and kicking to nudge the Government into taking a sensible approach to the matter. We all know the result. The result is the revelations of **Mr Justice Stewart** in the report which was recently handed down in Parliament. I believe, and the Opposition believes, that just as the powers which exist in other Acts relating to intercepts should be tightened so far as illegal

intercepts are concerned and the penalties that are visited upon those who are guilty of illegal intercepts, the same thing should happen in the ASIO Act. It is proposed under the present legislation that a person shall not divulge or communicate to another person or make use of or record any information obtained by various interception devices except in the performance of his duties. The penalty is \$5,000 or imprisonment for two years. We believe that is too little. We believe that the penalty should be \$25,000 or imprisonment for five years. If those on the Government benches believe as dearly as they say they do in the rights of privacy, they should uphold stringent penalties for the violation by electronic intercepts of those rights of privacy. I hope, although with not too much expectation, that the Government even at this late stage will say: 'Yes, this is the right course. We will amend this Bill and we will make corresponding amendments to the provisions that enable police to make intercepts under other legislation'.

Mr LIONEL BOWEN (Kingsford-Smith—Attorney-General) (11.03)—The Government cannot accept the amendments. In part they seek to amend section 24A of the Crimes Act. Section 24A of the Crimes Act as it now exists states in paragraph (b):

to excite disaffection against the Sovereign or the Government or Constitution of the United Kingdom or against either House of the Parliament of the United Kingdom;

That is paragraph (b), which is to be omitted. Does the honourable member follow what I am saying?

Mr Spender—The amendment applies to (a) only.

Mr LIONEL BOWEN—Section 24A (a) states:

to bring the Sovereign into hatred or contempt;

Mr Spender—That is right, and the amendment goes on 'or to excite disaffection against the Sovereign'.

Mr LIONEL BOWEN—That is not affected.

Mr Spender—Yes, it is.

Mr LIONEL BOWEN—It is not because the amendment seeks to omit paragraphs (a), (b), (c) and (e) and substitute an amended (a). The amendment seeks to omit paragraphs (b), (c) and (e). Our point of view is that we are quite happy with the remnants of 24A (a) on the basis that there is sufficient protection there from the point of view of sedition in regard to an intention to bring the Sovereign into hatred or contempt.

Mr Spender—Or exciting disaffection against the Sovereign.

Mr LIONEL BOWEN—There is also the question of intent to excite disaffection against the Government or Constitution of the Commonwealth or against either House of the Parliament, in paragraph (d), which the Opposition does not seek to omit, and paragraph (f) which states:

to excite Her Majesty's subjects to attempt to procure the alteration, otherwise than by lawful means . . .

That paragraph may remain. Paragraph (g) states:

to promote feelings of ill will and hostility between different classes of Her Majesty's subjects . . .

That paragraph may remain. The only paragraphs the Opposition considers should be omitted are (b), (c) and (e), which talk about disaffection against the connection of the Queen's dominions or disaffection against the Government or Constitution of any of the Queen's dominions, and disaffection against the Sovereign or the Government or Constitution of the United Kingdom. They are the paragraphs the Opposition is attacking. On that basis we think there is adequate protection in what is left of clause 24A and we see no reason to agree.

On another matter the honourable member addressed, I think I may be able to help him. It may be appropriate, not in this Bill but in the near future, to talk about whether the existing penalty regarding illegal interception in the Telecommunications (Interception) Act, which at present stands at \$5,000 and/or two years, could be upgraded. I do not think it would be to the extent of \$25,000. I am advised that consideration will be given to upgrading the penalty to \$10,000 and/or five years imprisonment, which is a little different from what the honourable member proposes. It will not be done in this Bill, but I undertake to the honourable gentleman that the matter is under consideration.

Mr SPENDER (North Sydney) (11.06)—I thank the Attorney-General for the indication that in principle the Government is considering our proposal for a penalty of five years and, at the same time, increasing the monetary penalty. As to the other matter, the Attorney-General has conceded the argument because he points out that under the legislation as it will stand after the amendments which are to be made to it, there will be a provision that classes as sedition the intent to excite disaffection against the Government or Constitution of the Commonwealth. We say this: The sovereign is the head of the Commonwealth. Equally, to excite disaf-

fection against the sovereign should be a seditious matter when it is done with the same intention as is requisite to establishing a criminal intention when one is seeking to excite disaffection against the Government or Constitution of the Commonwealth. One cannot logically distinguish between exciting disaffection against the Government, exciting disaffection against the Constitution of the Commonwealth, exciting disaffection against either House of Parliament of the Commonwealth, and exciting disaffection against the Sovereign. Whilst the honourable gentleman has not agreed to our amendments, he has conceded a case, and I thank him for that.

Question put:

That the amendments (Mr Spender's) be agreed to.

The Committee divided.

(The Deputy Chairman—Mr P. M. Ruddock)

AYES	55
Noes	73
Majority	18

AYES

Aldred, K. J.
 Andrew, J. N. (Teller)
 Beale, J. H.
 Blunt, C. W.
 Braithwaite, R. A.
 Brown, N. A.
 Burr, M. A.
 Cadman, A. G.
 Cameron, Donald
 Cameron, Ewen
 Cameron, Ian
 Carlton, J. J.
 Coleman, W. P.
 Connolly, D. M.
 Conquest, B. J.
 Cowan, D. B.
 Dobie, J. D. M.
 Downer, A. J. G.
 Drummond, P. H.
 Edwards, Harry
 Everingham, P. A. E.
 Fife, W. C.
 Fischer, Tim
 Goodluck, B. J.
 Hall, Steele
 Halverson, R. G.
 Hawker, D. P. M.
 Hicks, N. J. (Teller)

Hodges, J. C.
 Hodgman, W. M.
 Hunt, R. J. D.
 Jull, D. F.
 Lloyd, B.
 McArthur, F. S.
 McGauran, P. J.
 MacKellar, M. J. R.
 McVeigh, D. T.
 Miles, C. G.
 Millar, P. C.
 Nehl, G. B.
 Peacock, A. S.
 Porter, J. R.
 Reith, P. K.
 Rocher, A. C.
 Shack, P. D.
 Sharp, J.
 Shipton, R. F.
 Sinclair, I. McC.
 Smith, W.
 Spender, J. M.
 Tuckey, C. W.
 Watson, David
 Webster, A. P.
 White, P. N. D.
 Wilson, I. B. C.

NOES

Baldwin, P. J.
 Beazley, K. C.
 Beddall, D. P.
 Bilney, G. N.
 Blanchard, C. A.
 Blewett, N.
 Bowen, Lionel
 Brown, John
 Brown, Robert
 Brumby, J. M.
 Campbell, G.
 Charles, D. E.
 Chynoweth, R. L.
 Cleeland, P. R.
 Cross, M. D.

Kelly, R. J.
 Kent, L.
 Keogh, L. J.
 Kerin, J. C.
 Klugman, R. E.
 Lamb, A. H.
 Langmore, J. V.
 Lee, M.
 Lindsay, E. J.
 McHugh, J.
 McLeay, Leo
 Maher, M. J.
 Martin, S. P.
 Mayer, H.
 Mildren, J. B.

NOES

Cunningham, B. T. (Teller)
 Dubois, S. G.
 Duncan, P.
 Edwards, Ronald
 Fatin, W. F.
 Fitzgibbon, E. J.
 Free, R. V.
 Gayler, J.
 Gear, G.
 Gorman, R. N. J.
 Grace, E. L.
 Griffiths, A. G.
 Hand, G. L.
 Hayden, W. G.
 Holding, A. C.
 Hollis, C.
 Howe, B. L.
 Hurford, C. J.
 Jacobi, R.
 Jakobsen, C. A.
 Jenkins, H. A.
 Jones, Barry

Milton, P.
 Morris, Allan
 Morris, Peter
 Mountford, J. G.
 O'Keefe, N. P.
 O'Neil, L. R. T.
 Price, L. R. S.
 Punch, G. F.
 Saunderson, J.
 Scholes, G. G. D.
 Scott, J. L. (Teller)
 Simmons, D. W.
 Snow, J. H.
 Staples, P. R.
 Theophanous, A. C.
 Tickner, R. E.
 Uren, T.
 West, S. J.
 Willis, R.
 Wright, K. W.
 Young, M. J.

PAIRS

Cohen, B.
 Humphreys, B. C.
 Dawkins, J. S.
 Duffy, M. J.

Cobb, M. R.
 Sullivan, K. G.
 Macphree, I. M.
 Robinson, I. L.

Question so resolved in the negative.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Leave granted for third reading to be moved forthwith.

Motion (by Lionel Bowen) proposed:

That the Bill be now read a third time.

Mr HODGMAN (Denison) (11.15)—I take the opportunity at the third reading stage to say that I think the only people who will really be delighted with the passage tonight of the Intelligence and Security (Consequential Amendments) Bill and the other Bills are those who are committed to the destruction of the Australian Security Intelligence Organisation. I have no doubt that the *Hansard* report will be read with very considerable interest and very considerable glee in the Soviet Embassy.

Question resolved in the affirmative.

Bill read a third time.

ADJOURNMENT

Motion (by Mr Young) proposed:

That the House do now adjourn.

Mr Reith—Mr Deputy Speaker—

Motion (by Mr Young) agreed to:

That the question be now put.

Original question resolved in the affirmative.

House adjourned at 11.16 p.m.

NOTICES

The following papers were deemed to have been presented on 2 June 1986:

- Administrative Decisions (Judicial Review) Act—Regulation—Statutory Rules 1986, No. 108.
- Bounty (Penicillin) Act—Regulations—Statutory Rules 1986, No. 115.
- Commonwealth Employees (Redeployment and Retirement) Act—Regulation—Statutory Rules 1986, No. 114.
- Commonwealth Serum Laboratories Act—Regulations—Statutory Rules 1986, No. 112.
- International Organizations (Privileges and Immunities) Act—Regulation—Statutory Rules 1986, No. 111.

- Long Service Leave (Commonwealth Employees) Act—Regulations—Statutory Rules 1986, No. 113.
- Overseas Telecommunications Act—Regulation—Statutory Rules 1986, No. 109.
- Satellite Communications Act—Regulations—Statutory Rules 1986, No. 110.
- Seat of Government (Administration) Act—
Ordinances—1986—
 - No. 8—Registration of Births, Deaths and Marriages (Amendments).
 - No. 9—Co-operative Societies (Amendment).
 - No. 10—Co-operative Societies (Amendment) (No. 2).
 - No. 11—Remuneration (Amendment).
- Regulations—1986—
 - No. 1 (Co-operative Societies Ordinance).
 - No. 2 (Co-operative Societies Ordinance).

