



**PRIME MINISTER**

FOR PRESS

16 DECEMBER 1977

I have considered the position of the Deputy Leader of the Liberal Party, the Right Honourable Phillip Lynch, M.P., in the light of his disclosure to me of his family's financial interests and in particular, their interests in commercial arrangements entered into in September 1973 whilst he was in Opposition, and concluded in 1976 after he became Treasurer, concerning land at Balnarring in Victoria.

I have also taken independent advice from Mr Stephen Charles, Q.C., of the Melbourne Bar, who advised me that on the facts available to him from documents supplied and from information made available from Irish, Young and Outhwaite, and Mallesons, that nothing has been done by Mr Lynch or his family which was illegal, commercially improper or represented a conflict between his or their private interests and Mr Lynch's public duties as a Minister of the Crown, and that the arrangements were normal commercial arrangements.

Mr Charles has advised me that in his opinion Mr Lynch did comply with the directive in my letter to all Ministers of 13 January, 1976, requiring disclosure of private interests.

I am delighted that Mr Charles has advised as he has. I happily accepted that advice. I now regard the matter as closed, and I see no reason why Mr Lynch should not be re-elected as Deputy Leader of the Liberal Party.

I very greatly regret the difficulty and anguish that Phillip Lynch and his family have experienced over recent weeks. I look forward to working with him in the coming period.

These events have shown that a Prime Minister is placed in a most difficult position when he is called upon to pass judgement on colleagues with whom he has worked closely, particularly as the Prime Minister must act as judge and jury when allegations of impropriety are raised.

A far more satisfactory procedure must be found to resolve these situations which can have such an impact on an individual's career and on the life of his family.

A whole new approach is required. I do not regard the Report of the Parliamentary Committee on Pecuniary Interests as putting forward adequate solutions. In my view, a statement of pecuniary interests to the Parliament does not provide an adequate procedure.

Because of that view, I intend to appoint a judge or Queen's Counsel, to be assisted by a businessman and an accountant, who will need to be familiar with modern commercial practice and procedures, to make recommendations to the Government on what interests should be disclosed.

They will also be asked to recommend what procedures should be followed to determine whether there has been any breach of the high standards which are properly required of those in public office. The Committee will also be asked to recommend the method which should be used to determine whether there has been a breach.

They will be asked to examine whether or not a register under judicial supervision should be instituted and maintained in such a way, which, in the event of allegations of impropriety or on the judge's own initiative, will allow for expeditious and proper judicial examination of such allegations.

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