



**PRIME MINISTER**

FOR PRESS

25 JANUARY 1978

ATTACHED IS THE TEXT OF A LETTER SENT TODAY BY THE  
PRIME MINISTER, IN RESPONSE TO RECENT CORRESPONDENCE FROM  
THE PREMIER OF SOUTH AUSTRALIA.

THE STATEMENT REFERRED TO IN THE FIFTH PARAGRAPH OF THE  
PRIME MINISTER'S LETTER MAY BE FOUND IN HOUSE OF  
REPRESENTATIVES HANSARD FOR 20th OCTOBER, 1977,  
PAGES 2333-2340.

---



PRIME MINISTER

CANBERRA

25 JAN 1978

My dear Premier,

I have received your letters of 17 and 18 January 1978.

At the outset let me say that I welcome your assurance that your Government will continue to co-operate with the Commonwealth Government on matters of genuine security.

As you are aware, the functions and activities of the Australian Security Intelligence Organization (A.S.I.O.) have been the subject of an exhaustive inquiry by the Royal Commission on Intelligence and Security constituted by Mr Justice Hope. The Royal Commission made a large number of recommendations directed to improving the effectiveness of A.S.I.O. and removing deficiencies in past practices. The Royal Commission found that:

"My basic finding is that Australia needs and should have a security intelligence service to investigate and provide intelligence about threats to the internal security of the nation."

He also found that there is a need for continued co-operation between the work at Federal level and the State Police Forces. The Commonwealth Government endorses this fully.

... My Government carefully considered the findings and recommendations of the Royal Commission and, as I informed Parliament on 25 October last year (copy attached), we have accepted the Royal Commission's basic judgements and recommendations for a sweeping range of reforms. As I foreshadowed in that statement, the Attorney-General will introduce amendments to the A.S.I.O. Act reflecting the legislative changes the Royal Commission recommended. In consequence the functions of A.S.I.O. will be clearly and precisely stated. The legislation will also establish appeal procedures under which, broadly speaking, persons who are affected in Commonwealth employment, in immigration, or in citizenship matters by unfavourable assessments by A.S.I.O. will be able to appeal to a Tribunal. The Chairman of the Tribunal will be a Judge.

.../2.

The collection and maintenance by A.S.I.O. of appropriate records, the preparation of security assessments and the utilization of those assessments by Government authorities have been, as you know, the subject of special and extensive study by the Royal Commissioner. The Government has, as I have stated, accepted the Royal Commissioner's judgements on these matters. I believe that these reforms will effectively balance the requirements of national security and the civil rights of individuals. I should add that the Director-General of Security, Mr Justice A.E. Woodward, has assured me that he has taken action to give effect to those recommendations of the Royal Commissioner that concern improvements in A.S.I.O.'s internal administration and management and generally to all other recommendations which do not call for policy decisions by the Government.

The Commonwealth recognises that State Police Force Special Branches have a variety of functions and are the responsibility of the States. The Royal Commissioner concluded that, given appropriate inter-governmental arrangements, it is both important and quite proper for A.S.I.O. to co-operate with the Police Forces of the States in respect of matters within its charter. My Government agrees with this approach and will be seeking the views of the States about co-operative arrangements when the legislation has been prepared. You will also recall that on various occasions I have written to you on aspects of Commonwealth/States co-operation dealing, for example, with international terrorism. Commonwealth/State co-operation on such matters must of course be bi-partisan in approach.

My Government's objective in this matter, and I am sure this is also the objective of all State Premiers, is the preservation of the security of the nation with the minimum intrusion on the rights and freedoms of individuals. When the legislation implementing the reforms I have mentioned above is drafted I shall be communicating with all State Premiers specifically on this aspect.

I refer to your request concerning the destruction of some of A.S.I.O.'s records. The Royal Commission gave consideration to the principles that should govern the destruction of records of A.S.I.O. and concluded that only records that are not, or are not now, of actual or potential security relevance should be destroyed. The Director-General is proceeding with the destruction of records according to those principles.

Because this is a matter of interest to all States I am sending a copy of this letter to the other Premiers.

Yours sincerely,

(Malcolm Fraser)

The Hon. D.A. Dunstan, Q.C., M.H.A.,  
Premier of South Australia,  
ADELAIDE S.A. 5000

**ROYAL COMMISSION ON  
INTELLIGENCE AND SECURITY**

**Ministerial Statement**

**Mr MALCOLM FRASER** (Wannon—Prime Minister)—by leave—On 21 August 1974 the previous Government established a Royal Commission on Intelligence and Security and appointed the Honourable Mr Justice Hope as the Royal Commissioner to inquire into and make recommendations on the intelligence and security services the nation should have available to it. The Government has now completed its consideration of the eight reports presented to it by the Royal Commissioner.

**The Royal Commission's Eight Reports**

The first report outlines the procedures followed by the Royal Commission and requires no further comment. The second report makes findings and recommendations on security checking and a security appeals tribunal. The third report dealing with the machinery for ministerial and official control, direction and co-ordination of Australia's intelligence and security services was the subject of the statement I made in the House on 5 May this year. At that time, I announced the appointment of a Ministerial Committee, supported by a Permanent Heads Committee, to provide a better system for co-ordinating the intelligence and security services.

I also announced our decision to establish the Office of National Assessments and legislation to establish that Office has subsequently been passed by Parliament. The fourth report specifically relates to the Australian Security Intelligence Organisation. The fifth and sixth reports relate to particular specialist intelligence collection agencies. The seventh report, written by a consultant to the Commission, is an historical study of Australian intelligence and security services. The eighth concerns administrative arrangements for the storage and custody of the Royal Commission's records. I will not be commenting further on these last two reports in this statement.

In accordance with undertakings previously given to the House, I am tabling those parts of the Royal Commission's reports which the Royal Commissioner considered can be made public without prejudice to national security and announcing the Government's decisions on them. The third report was in an abridged form prepared by the Royal Commissioner and was tabled on 5 May. I now table the first report, the second report other than Appendices 2-A, 2-C

and 2-F, and volumes 1 and 2 of the fourth report. For the first time the Parliament and the people of Australia are being authoritatively informed of fundamental considerations relating to Australia's national security. For the first time Parliament and people can read the careful assessments of an independent judicial authority who has had full access to all the information and the time and resources to thoroughly analyse them.

#### **The Royal Commission's Basic Judgments**

Mr Speaker, the Government has accepted the basic judgments of the Royal Commission on Intelligence and Security and has implemented a sweeping range of reforms to achieve them. In essence Mr Justice Hope's basic findings are these:

#### **(I) AUSTRALIA'S NEEDS FOR INTELLIGENCE AND SECURITY SERVICES**

Australia needs a highly professional system of intelligence and security services, and this need is more apparent than ever before. Australia needs intelligence of quality, timeliness and relevance.

#### **(II) THREATS TO INTERNAL SECURITY**

Such a professional system should include a security intelligence service to investigate and provide intelligence about threats to the internal security of the nation. Australia faces, and has faced or may face, threats to its internal security from various types of action to which I shall later refer.

#### **(III) CIVIL LIBERTY AND NATIONAL SECURITY**

A balance must be struck between the need to respond decisively to this threat and the imperative of preserving Australia's open processes of debate, discussion and commerce. Mr Justice Hope has recognised 'that a balance between the rights of individual persons and the preservation of the security of Australia as a nation is no simple or easy thing to achieve'. (Fourth Report, paragraph 10). He concludes, quoting from the 1975 Rockefeller Report on the Central Intelligence Agency: . . . in the final analysis, public safety and individual liberty sustain each other'. (Fourth Report, paragraph 10).

#### **(IV) PROTECTION OF CONFIDENTIAL INFORMATION AND SECURITY CHECKING**

Australia has classified information which the Australian Government has a duty to protect in

the interests of the nation. These secrets are not limited to matters of national defence or foreign policy; they extend to matters relating to national resources and the national economy; their disclosure would prejudice Australia's national security. Thus the security checking of public servants should continue to be undertaken subject to a series of basic reforms.

#### **(V) THE NECESSITY FOR SECRECY**

The actual activities, programs and priorities of the intelligence and security services should not be revealed, as to do so would be to jeopardise national security.

#### **(VI) COMPLIANCE WITH THE LAW**

The intelligence and security services should always comply with Commonwealth and State laws.

#### **(VII) PARLIAMENTARY RESPONSIBILITY**

The intelligence and security agencies should continue individually to be subject to ministerial responsibility, and in addition should be collectively subject to central oversight and co-ordination by senior committees of Ministers and permanent heads. Considerations of the nation's interest should prevail over the full range of the agencies activities, and to this end the Government and the Opposition should develop a bipartisan approach to intelligence and security matters.

#### **Australian Security and Intelligence Organisation**

In his fourth report concerning ASIO Mr Justice Hope's basic finding is that Australia needs and should have a security intelligence service to investigate and provide intelligence about threats to the internal security of the nation.' (Fourth Report paragraph 657). He stated:

. . . On the basis of what has been submitted or provided to me, I find that Australia faces, and has faced or may face, threats to its internal security . . . and that ASIO should investigate . . .

Espionage, which is the covert collection of (generally secret) intelligence.

'Active measures' a general expression to cover a variety of activities by which a power can weaken another power or strengthen itself vis-a-vis that other power, including

the establishment of 'agents of influence'  
the dissemination of 'disinformation'  
other forms of clandestine or deceptive action

subversion, which is activity whose purpose is directly or ultimately, to overthrow constitutional government, and in the meantime to weaken or to undermine it. Sabotage, which is the destruction, damaging or impairment of defence installations, etc., which would be useful to an enemy or a foreign power.

Mr Justice Hope continued:

Two further kinds of activity should be investigated by ASIO, although they may not always involve a direct attack on Australia.

Terrorism, which is politically motivated violence, or the threat of that violence.

The organisation in Australia of, or of assistance for, violent political activity in foreign countries. (Fourth Report paragraph 661).

I will now briefly summarise the royal commissioner's comments on two of the major areas of threat—espionage and subversion.

**Espionage**

Mr Justice Hope rejected the views that some people had expressed to him that espionage was not a significant problem in Australia. The royal commissioner especially warned that 'Australia must not be so naïve as to think that it has some exemption from clandestine operations or that it need not take steps to protect itself against them'. (Fourth Report, paragraph 41) The royal commissioner stated that this conclusion was substantiated 'by a large amount of intelligence held by ASIO which cannot be made public'. (Fourth Report, paragraph 41). However, in the royal commissioner's words, there are 'some matters which can be stated publicly and which I—that is the royal commissioner—'regard as supporting the conclusions I have come to.' (Fourth Report, paragraph 40).

The royal commissioner notes the considerable evidence of espionage against Australia during the Second World War and the Petrov Commission's findings that from 1943 until Petrov's defection, Union of Soviet Socialist Republics intelligence agents had been operating in Australia. He further says that independently of the Petrov Commission's findings he was—these are his words—'completely satisfied that the USSR intelligence services were operating in Australia up to the time of Petrov's defection and that a number of Australians, some consciously and some unconsciously did reveal information about classified material to USSR intelligence officers or their agents'. (Fourth Report, para. 40) He refers to the case of Mr I. F. Skripov. Mr Skripov re-opened the Soviet Embassy in 1959 and was expelled in February 1963 because of his clandestine intelligence activities.

The royal commissioner states that the numbers of intelligence officers now operating clandestinely in Australia 'are much larger than in the 1940's and 1950's and are growing'. Again these are his words: 'For example, the proportion of USSR intelligence officers

represented in that country's diplomatic mission in Australia is consistent with overseas estimates of USSR representation in the USA and NATO countries'. (Fourth report, paragraph 40) In this connection, the royal commission quotes an estimate of Professor Leonard Shapiro, Chairman of the Institute for the Study of Conflict that ' . . . around half of those (Soviets) accredited as diplomats to NATO countries are usually engaged in intelligence operations of one kind or another . . . ' (Fourth Report, paragraph 40, footnote 4-18).

**Subversion**

The royal commissioner states:

The amount of domestic subversive activity in Australia has varied from time to time. The material before me does not establish that there is a very large amount at present. (Fourth Report, paragraph 76).

As against this, the two main communist parties, the Communist Party of Australia and the Socialist Party of Australia, have strong influence in some unions.

They exercise a power greatly in excess of that which their numbers would justify, among other reasons because they often strongly support the interests of trade unionists and put their full force behind industrial issues.

At other times, they make use of industrial disputes for their own political purposes.

The Trotskyists and other left radical groups are active in academic and political areas and are succeeding in establishing themselves in many places of influence.

Right radical groups are still active and the basis for extreme right wing action is certainly not dormant. (Fourth Report, paragraph 77).

**ASIO—Functions and Performance**

In considering threats such as these Mr Justice Hope also examined various ways of establishing a security intelligence service. He concludes that 'The essential conception of ASIO as an intelligence, and not an executive agency, is right for our national circumstances.' (Fourth Report, paragraph 660) He notes that ASIO 'maintains liaison both here and abroad with the internal security services of several friendly nations' and he concludes: 'These relationships contribute significantly to ASIO's overall efficiency'. (Fourth Report, paragraph 707) Again those are the royal commissioner's words.

The royal commissioner was critical of some aspects of the past performance of ASIO. The Government is determined that ASIO's performance should be beyond reproach. We have therefore accepted all of Mr Justice Hope's major recommendations and we propose to amend the Australian Security Intelligence Organisation Act accordingly. The major effect of those amendments will be to ensure that ASIO's activities will be expanded to enable it to

investigate and to report on activities which threaten Australia's internal security. ASIO will have a statutory responsibility to advise the Government about the following:

- Espionage
- Sabotage
- Subversion
- Terrorism

Domestic activity related to violence abroad and what the Royal Commissioner refers to as 'active measures'.

Mr Justice Hope has updated ASIO's functions to enable it to respond to the reality of the 1970's. The relationship between the Director-General of Security and the Government will be defined in accordance with the royal commissioner's recommendation based on his finding that, under the existing ASIO Act, there are legal doubts as to the extent to which the Minister can give lawful directions to the Director-General of Security. The Director-General of Security will be accountable to the Attorney-General and the Prime Minister.

The royal commissioner considers that the legal powers exercisable by ASIO regarding its collection of intelligence should be clarified and the responsibility for their supervision and control identified. Subject to the conditions specified by the royal commission ASIO may obtain warrants from the Attorney-General for purposes relevant to security to facilitate the acquisition of information about intelligence activities threatening Australia's security. This is consistent with the pattern established in other countries with a Westminster system of government. Mr Justice Hope said:

The circumstances in which these powers might be exercised are not frequent. (Fourth report, para. 139).

For example, in regard to ASIO's use of telephone taps the judge comments:

'The number of warrants issued since the enactment of legislation (authorising them) has been quite modest. The intelligence yield has often been extremely valuable'. (Fourth report, para. 141).

In the performance of its statutory responsibilities ASIO will carefully observe the principles delineated by the royal commission:

- (A) That it operates within the terms of its statute and is concerned only with matters relevant to security.
- (B) That it always complies with the law.
- (C) And that it observes standards of propriety by not intruding on the rights and freedom of persons except to the extent that the requirements of the nation's security justify, and the law allows. (Fourth report, para. 786).

Honourable members will notice that the royal commission has made a number of recommendations regarding the policies and practices to be followed by the Government and ASIO. The Government has accepted these: Significant features of them include: The Leader of the Opposition shall be kept informed about security matters and shall have access to the Director-General and his annual classified report. The Government will continue the practice of 'no comment' on allegations about ASIO's activities. ASIO shall not provide security intelligence in any form, either directly or indirectly on an attributable basis or not, to the Press or other media. As the Commonwealth agency responsible for the defence and maintenance of Australia's internal security ASIO is entitled to the confidence and respect of the nation.

I also refer to five recommendations taken from Volume III of the fourth report relating to ASIO's future effectiveness. The Director-General of Security has advised that these five paragraphs can be made public without prejudice to national security. They are:

That the Director-General receive strong support and encouragement from the Government in his task of improving the effectiveness of ASIO.

That ASIO management be active in opening and maintaining communication with staff.

That the Government recognise that, in the future, quite large sums will be needed to improve ASIO's capacity: that those giving consideration to ASIO's budgetary bids take into account that past levels of expenditure should not be taken as a realistic benchmark.

That ASIO ensure that the Government is made aware of its needs for resources.

That ASIO should receive strong and sympathetic support from the Public Service Board in improving its personnel policies. (Fourth report, Volume III, para. 818-822).

I have been advised by the Director-General of Security, Mr Justice Woodward, that he has taken action to give effect to those recommendations of the royal commission that concern improvements in ASIO's internal administration and management and generally to all other recommendations which do not call for policy decisions by the Government.

Mr Speaker, I have outlined in broad terms the nature of our reforms. Further details of the action being undertaken by the Government—which are in any event set out as recommendations in the fourth report which I have tabled—will be given by the Attorney-General (Senator Durack), when he introduces amendments to the ASIO Act.

### Security Checking and Security Appeals

The Australian Security Intelligence Organisation carries out security checks for Commonwealth departments primarily in relation to Commonwealth employees but also in a limited way for a range of special cases which the royal commission refers to as 'immigration cases'. In the second report, the royal commissioner examines the need for and basis of this security checking process. Mr Justice Hope finds that Australia needs a system of security checks for two main reasons: The serious nature of the security threat to Australia—Honourable members may wish to refer to the second report, paras 12-13 and the fourth report, paras 34-36—and the fact that, as the royal commissioner said:

Australia has secrets which the Australian Government has a duty to protect in the interests of the nation. (Second report, para. 196).

The royal commissioner reported that the security checking system has not been formally reviewed since the early 1950s, and found that it contains a number of faults, including: The existing security checking categories are too wide. That is, they strain ASIO's resources unnecessarily and are objectionable from a civil liberties viewpoint. There is some confusion about the nature of the security assessment ASIO provides. There has been some blurring of the demarcation between the responsibilities of ASIO and those of departments and instrumentalities. There have been deficiencies in the preparation and content of ASIO's security assessments and the use of them by departments. In this regard, Mr Justice Hope observes that security checking is a complex and difficult task. He said:

ASIO's information, even if accurate, will rarely, if ever, be complete. It can be led into error by the erroneous and incomplete nature of the material on which it makes its assessments. (Second report, para. 105).

All investigations and judgments about persons and their actions can involve mistakes. ASIO and its officers are no exception. (Second report, para. 115).

The Government has decided to implement a number of reforms designed to overcome the deficiencies in existing arrangements. Principal amongst these reforms are the following: A Security Appeals Tribunal will be established. Steps will be taken to reduce to the minimum possible number the people to be security checked. ASIO's security checking procedures will be revised and improved. From now on, persons who are the subject of adverse or qualified assessments, will be notified of that fact and of the general nature of the supporting information except to the extent that in the interests of national security they cannot be notified in certain special circumstances contemplated by the

royal commission. In such special cases the Attorney-General as Minister responsible for the ASIO Act—not the Prime Minister as Mr Justice Hope proposes—will have to issue a certificate vetoing notification. Persons having been notified of an adverse or qualified assessment will be able to have the assessment impartially examined by the Security Appeals Tribunal.

Mr Speaker, these reforms are designed to make security checking for Commonwealth employees more efficient and most importantly, to reduce as far as possible the intrusion into the private lives of Commonwealth employees. I shall now outline further details of some of these reforms, and also indicate those instances in which the Government has, after careful consideration, modified the royal commissioner's recommendations.

### The Security Appeals Tribunal

The royal commissioner has found:

Without adequate machinery for review of security assessments of persons . . . grave and permanent injustices can occur. (Second report, para. 200).

He concluded:

ASIO's security assessments should be subject to an appeals system. (Second report, para. 115).

The Government agrees with this view. The Security Appeals Tribunal recommended by the royal commission will be established to review adverse or qualified security assessments and any supporting information provided by ASIO relating to such assessments.

The royal commission recommended that the Tribunal's review function should be made retrospective to the inception of ASIO in 1949. The Government has given careful consideration to this proposal but has decided that the matters subject to the Tribunal's jurisdiction should be those occurring on or after the date on which the Tribunal is established. We have been advised that there would be legal and substantial administrative problems associated with the royal commissioner's recommendation. There is no Commonwealth statutory precedent for a retrospective grant of a right of appeal against an administrative decision. The comparable appeals system established under the Administrative Appeals Tribunal Act 1975, is expressly stated to apply to decisions given on or after the commencement of that Act. However, the Government has devised certain procedures to give effect to the spirit of the royal commissioner's recommendation.

First, ASIO has been instructed to undertake a review in the manner recommended by the royal commission, of any existing adverse or qualified



assessment of persons currently in the employ of the Commonwealth. If in the light of that review, the adverse or qualified assessment is maintained, the person concerned will be notified, and will be entitled to appeal to the Tribunal against the new assessment. Second, the legislation establishing the Tribunal will allow the Government to refer to the Tribunal particular cases of people no longer in the employ of the Commonwealth. The Government intends to exercise this discretion in any case in which it appears a wrong assessment may have been made in the past. The Security Appeals Tribunal will be mainly concerned with Commonwealth employees, except for the 'immigration cases' about which I shall comment shortly. Thus all Commonwealth employees, as that term is broadly defined in paragraph 20 of the second report, will have appeal rights against adverse or qualified assessments.

Legislation will be introduced to establish the Tribunal and, although the Tribunal's findings will generally be advisory, they will be binding in those cases the royal commissioner recommends. The Government has concluded that the Tribunal should have the composition and powers detailed in Part H of the second report except for the modifications I have outlined. The procedures of the Tribunal envisaged by the Royal Commission will be given further consideration. In addition, the panel from which the Tribunal will be constituted will be enlarged to include more than one former public servant and more than one former member of the defence force.

#### **Security Checking**

The security checking process will be substantially altered to make it more finely tuned to national security requirements. In contrast with existing practice not all public servants or applicants to the Public Service will be security checked. From now on, security checking of public servants will take place only when it can be reasonably expected that they will require access to classified security matters or areas. In accordance with Mr Justice Hope's recommendations, ASIO's security assessments will vary in accordance with the level of access required. Far more extensive investigation will take place, for example, for persons requiring access to the highest classification than for those requiring access to the lowest. All aspects of ASIO's security assessments will be prepared in accordance with the royal commissioner's recommendations. The royal commission recommended that positions in the Public Service for which security checking will be required should be publicly

designated as such. However, the reports do not recommend how this could be implemented. The Government has the matter under consideration.

#### **Immigration Cases**

ASIO has provided security checks for the Commonwealth Government in certain immigration cases. The term 'immigration cases' refers to government activity relating to such matters as visas, entry permits, deportation, citizenship and passports. Mr Justice Hope has recommended that the reforms regarding security checking and security appeals for Commonwealth employees be applied to these immigration cases with some minor modifications of detail as necessary. ASIO's investigative work in this area will be directed to protecting the security of the nation and its assessments will be closely linked to judgments about any potential security threat involved. As in all other matters, ASIO's role will be advisory. Australian citizens and persons whose continued presence in Australia is not subject to any limitation imposed by law will have full appeal rights to the Security Appeals Tribunal in respect of these immigration cases. The Government has accepted Mr Justice Hope's recommendations regarding immigration cases and the Minister for Immigration and Ethnic Affairs (Mr MacKellar) will provide further details regarding their implementation at a later stage.

#### **Compensation**

The Royal Commissioner makes a number of observations about the possible payment of compensation in relation to wrong security assessment.

He notes that a wrong security assessment may sometimes cause detriment to the subject of the assessment, although the detriment flows from the consequent action of the employer authority.

The Royal Commissioner recommends that the Security Appeals Tribunal should have power to report about compensation matters.

However, the Government, having adopted the recommendation of the Royal Commissioner that the Tribunal will be solely concerned with ASIO's assessments, not executive decisions of government, has decided that compensation matters will be for the Government to determine, not the Tribunal.

#### **Australian Secret Intelligence Service**

The fifth report is about the Australian Secret Intelligence Service, ASIS, an agency of the Australian Government the existence of which has not hitherto officially been acknowledged. The

Government agrees with Mr Justice Hope's recommendation that ASIS should be publicly acknowledged and on his recommendation the fifth report will not be published as to do so would jeopardise national security. The report has been made available to the Leader of the Opposition as the royal commissioner recommended. The royal commissioner recommended 'that the Government accept the continuing need for an Australian Secret Intelligence Service and that ASIS be retained to fulfil that role'. He reported that ASIS is a 'singularly and well run and well managed agency . . . right in concept for Australian circumstances'. The main function of ASIS is to obtain, by such means and subject to such conditions as are prescribed by the Government, foreign intelligence for the purpose of the protection or promotion of Australia or its interests.

The Government has accepted his recommendation that the Service continue and be responsible to and under the control of the Minister for Foreign Affairs. The funding of ASIS has in the past been secret but, will in future be the subject of a one-line appropriation like ASIO. ASIS's capacity to serve Australia's national interest will continue to depend on its activities being fully protected by secrecy. The Government will therefore adhere strictly to the practice of refusing to provide details of ASIS's activities nor will it be prepared to enter into any discussion on the Service.

#### The Defence Signals Division

The sixth report is about the Defence Signals Division. On the recommendation of the royal commission this report will not be made public. The Defence Signals Division is an organisation concerned with radio, radar and other electronic emissions from the standpoint both of the information and the intelligence that they can provide and of the security of our own Government communications and electronic emissions. It is an agency which serves wide national requirements in response to national priorities. The royal commissioner found that there were overriding advantages to Australia in co-operation with certain other countries in these matters.

In close conjunction with the defence force DSD provides a capability which is just as much an integral and essential part of a modern defence posture as a capability in air or ground defence or maritime surveillance. That capability is a sophisticated one for which long periods of training and development are required. The royal commission said that 'the preservation of secrecy as to the agency's operations is vital'.

This finding is accepted by the present Government. The royal commission recommended the retention of DSD, paid tribute to its work and pointed to ways in which the agency could be further developed and improved. It stated:

DSD is a very capably managed agency and believed to be so by most of its staff and others who deal with it.

The Government will pay close attention to the recommendations of the royal commission. In recognition of the enhanced status that the royal commission recommends should be accorded to the agency it will be restyled as the Defence Signals Directorate. In discussions of intelligence matters, this Government will not provide further information about DSD, nor confirm or deny speculation or assertion about it.

#### Conclusion

There are a number of matters particularly those covered by the fifth and sixth reports and parts of the fourth report which cannot be made public. As I mentioned earlier the Royal Commissioner has made particular recommendations on publication. All of Mr Justice Hope's reports have been made available to the Leader of the Opposition. In respect of ASIO, ASIS and DSD the Government will maintain its long-standing practice, endorsed by the royal commission of not providing information by way of comment, confirmation or denial, on matters affecting security or intelligence.

Mr Speaker these reforms, together with the establishment of the Office of National Assessments and the system of co-ordination and oversight of intelligence and security policy announced in my 5 May statement, are of fundamental significance to Australia. They are also of significance in a wider sphere. As Mr Justice Hope states in his third report:

Australia is, on balance, fortunate to have been able to develop close intelligence links with some of the major intelligence agencies in the western world

Mr Justice Hope's reports underline the significance of Australia's intelligence and security relationship with non-communist countries, and the importance to these countries of high quality Australian intelligence and security services. These reforms ensure that Australia's contribution in this wider sphere will be even more effective.

I believe that honourable members will be assured by Mr Justice Hope's reports about the essential and fundamental need for further action by the Australian Government. He has brought to his task a perceptive realism with which he balances the requirements of national security on the one hand with the requirements

2340 REPRESENTATIVES 25 October 1977

of personal liberty on the other. He has maintained a standard of excellence in the performance of his royal commission and in the quality of the advice he has tendered the Government. His reports show a clarity of expression and probity of thought which I am sure all honourable members will applaud. I commend my predecessor for the action he has taken in launching the royal commission and my Government extends its appreciation to the New South Wales Government for releasing Mr Justice Hope for this major, arduous and important task.

I present the following paper:

Royal Commission in Intelligence and Security—Ministerial Statement, 25 October 1977.

Motion (by Mr Sinclair) proposed:

That the House take note of the Paper.

Debate (on motion by Mr E. G. Whitlam) adjourned.