

Hon PAULA BENNETT: I have read part of the Child Poverty Action Group report. To be fair, I did not get it in advance like the member did or the media did, so I have received it only this morning. But what I can say is that, actually, we never debated whether or not poverty was a factor, but it is one of many. If you look at the reasons for child abuse and neglect—if one looks at sexual abuse, actually, it is not because they are poor, it is because someone is pretty sick and has hurt a child, and that does not depend on their income. So I would say that poverty, unemployment, harsh parenting styles, poor educational attainment, mental health, fractured families, drug and alcohol abuse, and a history of having being abused as a child are all associated with child physical and emotion abuse and neglect, and simply looking at poverty would be negligent to those children who need us most.

Holly Walker: I seek leave to table the Child Poverty Action Group report *Child Abuse: An analysis of Child, Youth and Family data* released yesterday.

Mr SPEAKER: No. I presume it is a report that is freely available to all members.

QUESTIONS TO MEMBERS

Employment Relations Amendment Bill—Submissions Received

1. DARIEN FENTON (Labour) to the Chairperson of the Transport and Industrial Relations Committee: How many submissions have been received on the Employment Relations Amendment Bill?

DAVID BENNETT (Chairperson of the Transport and Industrial Relations Committee): As a large number of submissions have been received, they are still being processed and final numbers are yet to be determined. However, we understand that there may be many thousands of submissions.

Darien Fenton: How many submissions have been processed and counted?

DAVID BENNETT: With the large number, the initial assessments are difficult, but I am aware that approximately 12,000 documents have been received. It is yet to be determined whether all of these are submissions.

GOVERNMENT COMMUNICATIONS SECURITY BUREAU AND RELATED LEGISLATION AMENDMENT BILL

Second Reading

Hon CHRISTOPHER FINLAYSON (Attorney-General) on behalf of the **Minister responsible for the GCSB:** I move, *That the Government Communications Security Bureau and Related Legislation Amendment Bill be now read a second time.* There has been a great deal of scrutiny and debate over this Government Communications Security Bureau and Related Legislation Amendment Bill. There has been a lot of uninformed commentary. There have been a number of examples of the great and the good, the well meaning but impressionable being misled by ill-founded fearmongering. So, at the outset, let me make it quite clear: this legislation is not a revolution in the way New Zealand conducts its intelligence operations and national security. It is not a case of expanding the borders of some intelligence empire. This is about fixing legislation that, at its best, is not fit for purpose and, at worst, is broken.

Under this bill, New Zealanders can be confident that our intelligence agencies are acting in accordance with the rule of law. The bill sets out definitively what it is the Government Communications Security Bureau (GCSB) can and cannot do under the law. There are no grey areas. There are no loopholes. This is very important because of the status of national security in a democratic society. National security is vital for maintaining the freedoms and the way of life that we hold dear. It is vital for keeping us safe and free from harm. But national security tools, if turned inwards and not subject to strict controls, can erode that way of life and threaten the freedom of individuals.

National security legislation must not have loopholes that can be exploited by those who would threaten our security, who would threaten loss of life through terrorism or criminal activity. But, equally, national security legislation must not have grey areas of uncertainty or doubtful interpretation that allow the State gradually to extend its activities and creep into ordinary people's private lives like some kind of growing shadow.

The bill strikes the right balance. It makes amendments to three Acts, with the three main objectives being to clarify what the GCSB can and cannot do, to update the legal framework in response to the changing security environment, and to strengthen the oversight of our intelligence agencies. Labour's 2003 Government Communications Security Bureau Act sought to codify and make transparent existing practices of the then Government Communications Security Bureau. It failed. The Kitteridge report found that the 2003 legislation is not, and probably never was, fit for purpose. The bureau currently has three core functions: cyber-security and information assurance, foreign intelligence, and cooperation and assistance to other entities. Those three functions are retained under this legislation. For an organisation possessing the powers the GCSB does, an unclear legal framework is simply unacceptable, so the relationship between these three functions has been set out in much more explicit terms than in the existing legislation. Between 2003 and 2011 there were 88 instances of surveillance that highlighted difficulties of interpretation. There is a grey area in the current law, and it arises because of a lack of clarity over the legitimate activities of the GCSB in those three different functions. That grey area disappears under this legislation.

On the matter of assistance and cooperation, Labour's 2003 Act said that the GCSB could assist other public agencies in New Zealand in the performance of their functions and also to prevent and detect serious crime. It authorised explicitly, to obtain foreign intelligence, the surveillance of foreign organisations and individuals—organisations and individuals who in some cases may make contact with New Zealand citizens and residents. But the law also said, in apparent contradiction, that the GCSB must not intercept the communications of New Zealand citizens or permanent residents. In hindsight, this was a recipe for confusion. Parliament had intended something straightforward, that the GCSB should target foreign nationals only when gathering intelligence under its second function, and, in addition, the GCSB should also be available to assist agencies such as the police and the SIS in their legitimate, warranted domestic activities. But the wording was contradictory and unclear. The GCSB acted according to its internal advice to fill this grey area. That advice was in keeping with the intention of those who passed the Government Communications Security Bureau Act in 2003, but it may or may not have been justified by the words of the statute itself.

Ambiguous law, which leads to secluded decision-making on a case by case basis, is unsatisfactory, so we are taking these steps to overhaul the legislation and make it fit for its original purpose. The responsible thing for this Parliament to do is to clarify the Act to specify which agencies the GCSB may assist, and to what extent; to remove ambiguity; and to increase oversight from outside the agency. The question of oversight is a very important one, generally, not only in relation to the GCSB. Former GCSB head Sir Bruce Ferguson recently implied that he wished there had been greater oversight of orders he issued as head of the Defence Force, classifying some journalists as subversives. This week he acknowledged that he had never thought of journalists as the enemy, and expressed his disappointment that no one had since overturned the orders he could not remember making. It is a reminder that memory can fail us. Some commentators, including Sir Bruce, have opined that the questions around the GCSB represent something new about the way intelligence operates in this country. That is

simply untrue. The problems of drafting and legislative interpretation date back to the passage of Helen Clark's 2003 legislation.

This bill is not revolutionary. It is not an aggressive expansion of State powers. Its purpose is to provide concrete rules that leave less room for uncertainty. This is evident from the treatment of metadata in the bill. There has been much talk of metadata recently. It has become something of a buzzword.

Rt Hon Winston Peters: This is quite sad. This is quite sad.

Hon CHRISTOPHER FINLAYSON: But there is no magic in metadata, I say to Mr Peters. In this bill, metadata is treated as any other communication. This bill authorises the interception of certain communications. Communication does not differentiate between data and metadata for the reason pointed out by a number of submitters: we do not have a clear definition of metadata. The type and number of ways in which data can be described and indexed—that is, the categories of metadata—are growing all the time. If we included a definition, then we would risk leaving loopholes as new technologies emerge or new business systems are developed. We do not want loopholes that expose New Zealanders to unnecessary risks because our legislation cannot keep up with technology. Nor do we want amorphous gaps in the legislation that could allow agencies to exceed the powers intended for them, by incrementally extending definitions by analogy.

This bill takes into account national security and privacy. The issue is not national security or privacy; it is both. National security is about protecting our citizens and the rights and the freedoms we value. The legislation is sensitive to those rights and freedoms. In conclusion, the bill has been subject to extensive discussion and debate, which on occasion have obscured this very important issue. The bill before us today incorporates 19 recommendations endorsed by the Intelligence and Security Committee—and it is important to say that they reflect public submissions—and there will be further changes, which have been flagged publicly, in a Supplementary Order Paper. As I say, this bill does not represent an extension of powers but a clarification. I commend the bill to the House.

DAVID SHEARER (Leader of the Opposition): Labour opposes the Government Communications Security Bureau and Related Legislation Amendment Bill. We oppose it not because we do not accept that there are serious problems with our intelligence agencies, and not because we do not think that changes in law are not necessary, but because the Prime Minister, who is responsible for our intelligence agencies, has simply not made the case for why we need to ram through this legislation so quickly without taking a proper look at the critical issues right across our intelligence agencies—not just with the Government Communications Security Bureau (GCSB) but right across the intelligence network. I asked John Key whether he had any evidence that New Zealand would be more at risk if this legislation was not passed through, and he simply could not make that case. He also could not explain why, if changes are so urgent, he did not act a year ago when he found out the problems and put urgent legislation through then.

This bill has been rushed and it has been poorly informed. The Prime Minister denied my request for the Intelligence and Security Committee to hear the SIS, the Defence Force, and the Police, and how they were going to fit with the GCSB and why they needed the GCSB's support as they had described. He turned that down, and he did so because he did not want to take a closer look at what the problems really were. He wants this off the political agenda, and that is the scenario we are looking at. He knows that people do not believe his explanations. New Zealanders do not believe his explanations. They are losing trust in his oversight, and they do not believe that he is passing the law for the right reasons. He just wants the spying scandal to go away, but it simply will not go away.

The tragedy of this is that it is a missed opportunity for New Zealand. It is an opportunity we could have had to pass legislation that would restore Kiwis' confidence in our intelligence agencies so that people know we are operating in their best interests and that we have got the balance right between security on the one hand and their privacy on the other. That is why Labour has argued that we need a full and independent inquiry across our intelligence community before we put legislation in front of this House.

New Zealanders' confidence has been shattered by the recent events in our intelligence agency. It has been a complete train wreck. We have seen a litany of failures—the GCSB illegally spying on Dotcom. And remember we would not be here putting this legislation through if it had not been for Dotcom and the fact that Bill English was trying to hide the illegal spying by the GCSB on Dotcom from the courts. That is a fact. We then found out there was illegal spying on many other New Zealanders. We then found out that John Key has shoulder-tapped a mate of his to become the head of the GCSB. We have heard now, in this past week, that a New Zealand journalist was spied on and tracked in Afghanistan, and our agencies were complicit in that. Now we have got officials tapping into journalists' phone records right here in our Parliament. The GCSB, of course, was involved in that too. The Henry report actually states that it had a “Substantial” role, particularly in the gathering of records.

But, of course, John Key says it is nothing to do with him—nothing to see here, nothing to be worried about! It is the Parliamentary Service's problem. It is David Henry's problem. It is somebody in the GCSB's problem. It is the legal adviser's problem. It is somebody who had a brain fade's problem in the GCSB. Through all of these scandals John Key has been trying to pass the blame on to somebody else. When he does get caught out, we have to drag the truth out of him. Well, I say to Mr Key that it is time to stop making excuses. A serious mistake has been made. Stop blaming others and start taking some responsibility for the actions of the agencies that you lead.

Today was astonishing. Mr Key took the opportunity on breakfast radio to announce that there is the existence of al-Qaeda threats. This was, I believe, reprehensible. We have seen the pattern before—weapons of mass destruction. We have seen the Boston bombings brought into the debate around the GCSB bill. But in this case there is no context, there is no detail, and there is no ability for him to give context or detail. He is using his privileged position as the head of our spy agencies to give himself political gain. That is reprehensible. He is scaremongering, and it is designed to shift attention away from the facts of the case and the train wreck that is this bill and what is around it.

But here is the second thing that I find so astonishing about the Prime Minister coming out and saying something like this: it is incredibly stupid—it is incredibly stupid. Why do you not send a postcard to people who are threatening us, saying: “We're spying on you.”? It is incredibly dumb. This is not *Boys' Own*. This is serious. I have spent 7 years in the Middle East alongside people who have let off bombs, and my family was in a hotel where a bomb went off and killed 40 people. So does that make us feel safer—that somehow he could announce to everybody that these people are going to be spied on? Well, I think it is extraordinary. Apart from anything else, we actually have agencies, our intelligence agencies, working on it. Those intelligence agencies are actually doing a pretty good job. They do not need to have their activities dragged into the public arena for a man's political gain in order to help them with their jobs. In fact, they have definitely just had their jobs hampered as a result of that.

New Zealanders want to be able to trust our intelligence agencies again and to know that they are doing good work and they are properly policed, but that will not happen when all the power continues to rest in one person, unlike in any of the other countries

that we are close to. The Prime Minister appoints our top spy and he heads up the committee that provides the oversight, so he is in charge of operations and he is also in charge of oversight. He chairs that committee. On top of that he has the casting vote. He appoints the Inspector-General of Intelligence and Security and the Commissioner of Security Warrants.

Let us just go back again to where we started with this. It was about Dotcom. The only reason we got to hear about that was because Mr Dotcom revealed it in court. Otherwise, we would not have heard anything—we would not have heard anything. We are setting up a system designed for cover-ups. We are setting up a system that simply will not work. The real shame about this is that we could have a much better system. In fact, I would go as far as this. I went and saw Mr Key. I said: “We’re prepared to work with you.” He said: “Doesn’t matter. We’ve got Mr Dunne. We’re chucking a bit of stuff at Dunne, he’ll get across the line, and we won’t need you both.” That is the extent of the negotiations with this side—no phone calls, no approaches, no nothing. I will say right now that Labour will work with the Government on an independent inquiry with terms of reference that can be agreed right across Parliament, and that we will work with you to get good law that will provide the confidence that New Zealanders need in order for our intelligence agencies to function in the proper way.

Hon TONY RYALL (Minister of Health): It is a shame that the Opposition leader did not apologise for the piece of legislation that his Government previously passed—it actually produced the bill here today; this bill fixes the 2003 legislation passed by Labour. This bill, the Government Communications Security Bureau and Related Legislation Amendment Bill, is about the security and the public safety of New Zealand. It tightens up the law, it strengthens oversight, and it limits whom the Government Communications Security Bureau (GCSB) can work with—it tightens up the law, it strengthens oversight, and it limits whom the GCSB can work with. It fixes the problems of the 2003 legislation.

The security of the nation is important, as is our public security. That is the reason why this important piece of legislation is before the House now. As result of the select committee process—which was not rushed and was not meaningless; it was focused and it dealt with the issues at hand—a number of changes have been made to this bill, which strengthens oversight, limits whom the GCSB can work with, and tightens up the law.

The bill provides for an independent review of the operations and the performance of the GCSB and the SIS in their legislation, and thereafter every 5 to 7 years. The Inspector-General of Intelligence and Security, who under the Labour legislation operated in singular status, will now be supported by a two-person advisory panel, making oversight of the intelligence agencies considerably stronger. No other agency can be added to the list—which consists of the New Zealand Police, the SIS, and the New Zealand Defence Force—to whom the GCSB can provide assistance, unless Parliament agrees to change the legislation. This is a significant strengthening of Labour’s legislation, which, in effect, would have allowed the GCSB to work with any agency throughout New Zealand.

The GCSB will be required to report annually on the total number of instances in which it has provided assistance to the New Zealand Police, the SIS, and the New Zealand Defence Force. That is added oversight; more information. The intelligence agency will also be required to report annually on the number of warrants and authorisations issued. The Intelligence and Security Committee will for the first time hold public hearings annually to discuss the financial reviews of the performance of the GCSB and the SIS. In addition, a set of guiding principles is being added to the Act.

I think that list makes it very clear that this bill has come out of the Intelligence and Security Committee incredibly strengthened from the provisions that currently exist in

the law. We have toughened up this law, we have improved and strengthened the oversight, and we have severely limited the agencies with which the GCSB can cooperate unless Parliament agrees.

The GCSB has three main functions. I think it is important for New Zealanders to know that their public safety and security are protected, and contributed to, by these three provisions. The first is information assurance and cyber-security. The GCSB has a lot of very smart people and smart technology. This smart technology, people, and experience can be used to help New Zealand corporates protect themselves from international cyber-attacks. Many of our leading exporters have intellectual property and have important information stored in their computer systems, and international interests want that information. We need to use the skills that the GCSB has to protect not only those organisations vital to New Zealand's infrastructure but also the Government organisations vital to our Public Service infrastructure in New Zealand.

We know that these cyber-attacks are increasing around the world, and already a number of incidents this year have been logged with the National Cyber Security Centre—a larger number of attacks than last year. All around the world nations are grappling with this challenge, and that is why the GCSB's specialist skills are so important. This legislation sets the rules around the use of those powers and those skills, in order to help protect both the Government and the key private sector information technology infrastructure here in New Zealand. There are very strict rules around what information can be used and provided for, but that is about helping protect information technology systems. That is its first use.

The second use of the GCSB comes to foreign intelligence. This is the largest part of the GCSB's intelligence. It is what ordinary people would describe as spying. This involves the capabilities, intentions, and activities of foreign persons and organisations. It has nothing to do with New Zealanders; it is all about foreign people and their activities. As the Prime Minister has said today, the contacts that people have with al-Qaeda - related terrorists are such that we do need to have this skill, and the ability of the GCSB to—

Grant Robertson: What rubbish. What absolute nonsense.

Hon TONY RYALL: “What absolute nonsense.”, says Grant Robertson. What would he know? What would he know? This is important. The legislation makes it clear that the GCSB cannot spy on New Zealanders when it has these functions.

The third, more controversial, power that this legislation puts with the GCSB is its ability to assist other agencies. This is where the whole Kim Dotcom situation has come from. When the legislation was passed in 2003 everybody involved in that legislation, from the Prime Minister down, thought that the legislation gave the ability to the GCSB to work with other agencies such as the New Zealand Police under their warrant capacities; to actually use the GCSB technology to assist the police. So the police had to go through their processes to get a warrant, but they could use the GCSB technology in order to exercise that warrant.

But the courts found that the 2003 legislation was not up to scratch and said that the GCSB could not share its capacities or make its systems available to outside agencies. The Kitteridge review, as the Attorney-General has said, found 88 cases of assistance over 10 years. That assistance has stopped, pending this legislation, and because the GCSB has specialist and unique capabilities, we need to be able to provide that for other agencies. In the 2003 legislation, it was the intention of the Prime Minister at the time, Helen Clark, that the GCSB could make that expertise available to any range of agencies—

Grant Robertson: No, that is rubbish.

Hon TONY RYALL: That is what the law says.

Grant Robertson: That is absolute nonsense.

Hon TONY RYALL: That is what the law said—to any agencies—and our Government has made it clear in this legislation that we are limiting it to three: the New Zealand Police, the SIS, and the New Zealand Defence Force. What it means is that the police can go and get a warrant and that warrant can be supported by the skills and capacities that the GCSB has. The GCSB cannot keep the information, because the information is collected under the police warrant. So it can do nothing with that information. It can use it, for example, to assist the New Zealand Defence Force, but only under the rules and requirements—and similarly with the SIS. There has to be a warrant signed by the Prime Minister and the Commissioner of Security Warrants before the GCSB can make its systems available. The information cannot be used by the GCSB.

I think there is going to be a lot of scaremongering from parties opposite on this legislation, because it is all about politics. Actually, this is important legislation and it has come out of the select committee strengthened, because we are toughening the oversight provisions, we are tightening up on the looseness of the previous legislation, and we are restricting whom the GCSB can provide its support to. These are important agencies. Their work does not have the level of scrutiny of other public agencies, but this bill will allow the select committee to have an annual review. It will allow there to be financial review, it will allow there to be public awareness—with public attending much of that review—and we will also be having a review in the law on a regular basis, every 5 to 7 years, to review how the GCSB is doing.

This is important legislation. It does make a difference to the security and the public safety of New Zealand. I think it would be good if we can get back to the time when the major parties in New Zealand recognised their responsibility for the security and the public safety of New Zealanders, because, indeed, that is what this legislation does.

GRANT ROBERTSON (Deputy Leader—Labour): This legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill, degrades our democratic process. The way in which this Government—John Key, Tony Ryall, and the rest of this Government—has gone about passing this legislation through the House degrades our democratic process. It is a political response from this Government to a serious problem and issue. It is all about the politics on that side of the House. John Key does not want the New Zealand public talking about the Government Communications Security Bureau (GCSB), because his management of the GCSB has been incompetent. It has degraded to New Zealanders an agency that they should have confidence in.

The trust and confidence of New Zealanders in our intelligence agencies is broken, and the person responsible for that is John Key. He has brought this legislation to the House to put a band-aid over the problems he has created, in the hope that they will go away. Well, they will not go away, because New Zealanders are rightly concerned that this legislation gets out of balance the balance between security and privacy. New Zealanders, rightly, jealously guard their privacy. But at the same time, most New Zealanders understand that we have a need for security and intelligence agencies. Labour has always supported security and intelligence agencies doing the work that we need them to do. For the agencies to operate in a way that New Zealanders can have confidence in, New Zealanders must trust those agencies, and that trust has been broken by this Government.

We need strong security and intelligence agencies, operating under good oversight that New Zealanders can have confidence in. This bill will not deliver that. Before I go any further, I want to say something in this House. This is an important piece of legislation. It has created enormous controversy around New Zealand, but the Prime

Minister of New Zealand cannot even be bothered to show up today to give a first reading speech about a bill that is so important and so significant to—

Hon Member: Point of order—

The ASSISTANT SPEAKER (H V Ross Robertson): Order! I can anticipate the point of order. It is not proper for members to refer to the absence of any member, because all members at some stage need to be away from the House for public business or otherwise.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think if you look at the Standing Orders and the Speaker's ruling on this matter, they refer to "current absences". Saying someone did not make a speech, did not lead the speech on a bill that he is responsible for, may indirectly say that—*[Interruption]*

The ASSISTANT SPEAKER (H V Ross Robertson): Order! Order!

Hon Trevor Mallard: Mr Assistant Speaker, are you going to deal with that?

The ASSISTANT SPEAKER (H V Ross Robertson): I am listening closely to the member.

Hon Trevor Mallard: Well, it is a relatively simple matter. My colleague was not referring to the absence of a member, because he was referring to something that was in the past.

The ASSISTANT SPEAKER (H V Ross Robertson): Order! Can I just say to members that it is not in order to refer to someone as being absent from the House, but to say that someone will not take a speech or do something like that is in order.

GRANT ROBERTSON: New Zealanders should have heard a speech today from John Key. John Key is the promoter of this legislation. John Key is the person who wants to extend the powers of the GCSB at the very time all around the world people are expressing concern about their privacy and expressing concern about what will happen to their communications. Tony Ryall tells this House that this is a serious matter. John Key throws al-Qaeda around today, but he will not give a speech in this House to promote his bill, and that is shameful.

Today John Key decided to throw out one of his weapons of mass distraction. He decided to throw out another one, and this time it was about the threat of al-Qaeda in New Zealand. The one thing I want to say about that—and David Shearer has already dealt with this very well—is that there are already agencies in New Zealand to deal with those sorts of threats. There are already laws in New Zealand to deal with those sorts of threats. The GCSB can already deal with those threats. John Key is simply throwing out that as a weapon of mass distraction, because he knows that this legislation is wrongly created and has been shoved through under the wrong process.

The other thing that I want to talk about with regard to the way this bill has gone through is the fact that it is likely that today this bill will pass by one vote in this House. I think everybody in this House, including the Prime Minister, would agree that legislation of this type should have a large majority of the House—broad support within the House—to pass. But this Prime Minister, John Key, has not tried to get that. He has struck a political deal with Peter Dunne. To hear Peter Dunne say: "Well, willing buyer, willing seller."—is that what our law has come to under this Government? I am half expecting to see the Order Paper on TradeMe with a "Buy Now" sticker beside it, because that is how Peter Dunne and John Key are treating our legislation—willing buyer, willing seller.

Well, I say to Mr Dunne that he has expressed a lot of concern in recent days about the private communications of people inside this Parliament. If he really believes that and if he really believes that New Zealanders' privacy—their emails and their phone calls—deserve some kind of protection, then he will vote against this bill today. If he had a shred of dignity left in this House, he would vote against this bill today. I call on

Peter Dunne to come to this House and vote against this bill today, because he has the opportunity to do that, and that would mean that we can go back to have the proper review that we need of all of our intelligence agencies, so that we can come up with the legislation that is appropriate for the times for our security and intelligence agencies, that gives the kind of oversight that New Zealanders would expect, and that ensures that the trust and confidence in our agencies is rebuilt.

That is why the Labour Party has said from day one that we want a review of all of our intelligence agencies. The Prime Minister actually had a review of the SIS under way, and he pulled the plug on it, and has never explained to this House why he did that. We need to see all of those intelligence agencies together. We need to see what will work for New Zealand's security and what will help protect New Zealanders' privacy in the future. We will get that only with a proper, independent review and inquiry.

We do need better oversight of our intelligence agencies. David Shearer has already run through the list of roles that the Prime Minister plays in overseeing our democratic agencies. He is our watchdog. He is the person who, on behalf of New Zealanders, should be making sure that those intelligence agencies work properly. He is not up to the job. He has proven that he is not up to the job. He appoints his mate as the director. We have to drag that information out of him. He stuffs up the Dotcom raid, and then he works with Bill English to cover that up. He is not capable of being our democratic watchdog over these agencies. We need to ensure that we have a broad parliamentary oversight. We need to relook at the Intelligence and Security Committee to ensure that it actually provides that proper oversight. There have been some useful changes made in the area of oversight through this process, but they are not enough to rebuild the trust and confidence that has been broken in this process.

I want to refer briefly to a couple of the submitters, because I think it is important to do that. It is very unusual for the Privacy Commissioner, Marie Shroff, to come to a select committee and to say that she wants a bill to stop. But what she said was that the effects of this legislation on individuals are potentially very significant. That is what she said. And she said in particular that it is not clear the type and level of oversight that is appropriate. She recommended that the bill not proceed.

Then the Human Rights Commission used its statutory power to report directly to the Prime Minister—only the fourth or fifth time that it has ever done that in its 20-odd years of operation under the Act that it has at the moment. It said: "Stop. Do the review. Make sure that there are adequate safeguards and oversight in place.", because it was not confident they were there. The Prime Minister's response to that—John Key's response to that—is to threaten the funding of the Human Rights Commission. That is John Key's response to that. The moment an independent agency stands up to John Key and says: "We want to see better oversight here. We want to see some safeguards for people's human rights.", the Prime Minister threatens it, and that is typical of bullying behaviour.

The Law Society came to the Intelligence and Security Committee and it said that in the absence of compelling grounds for urgency, this legislation degrades the democratic process. We have had New Zealanders from all walks of life say that they do not want this legislation to pass, but the Prime Minister is determined to ram through this legislation for political reasons. He is determined to ram through this legislation, against the wishes of the majority of New Zealanders.

This piece of legislation is wrong. The Labour Party is clear: if we have an independent review, if we are able to actually get all the facts on the table, we then can put legislation in front of New Zealanders that they can then accept, and we can rebuild the trust and confidence in our security intelligence agencies. The sad reality is that

under this Government and under John Key the trust of New Zealanders in our security agencies has been broken. That is shameful. This bill must not pass.

Dr RUSSEL NORMAN (Co-Leader—Green): I rise on behalf of the Green Party to talk about the Government Communications Security Bureau and Related Legislation Amendment Bill. This is a really terrible bill that has come before this House. There are millions of people who have come before us to fight for basic democratic rights and freedoms. One of those fundamental rights is the right to be free from constant State surveillance.

One of the defining features of a free and open society is that we have managed to push the State back into its box so that the State is not able, on a regular basis and without the approval of the judiciary, to engage in surveillance of our private communications. It means that we can have a private conversation without the Government listening in. It means that we can send an email without the Government intercepting it. There are some exceptions that we have allowed that enable the State to interfere with those private communications and to intercept them, but those are only for reasons of security. They are only when a judge comes in and says: “That’s OK—you can intercept that.” But there needs to be a very high standard.

Those basic rights and freedoms have been fought for, over and again, over the centuries, and they are being fought for, once again, right now in this House. We have a one-vote majority in this House that intends to degrade some of those basic rights and freedoms—in particular, the right to live free from mass surveillance by the State, because that is what this bill enables.

Regardless of what the Prime Minister might assert over and over, all the experts who have looked at this bill have come to very similar conclusions. Let me quote from one of the submitters, the Law Society, which I do not believe had any vested interest in coming to a decision that is highly critical of this bill. This is what the society said: “The Bill changes the Government Communications Security Bureau (GCSB) from being a foreign intelligence agency to a mixed foreign and domestic intelligence agency. The Bill empowers the GCSB to spy on New Zealand citizens and residents, and to provide intelligence product to other government agencies in respect of those persons, in a way not previously contemplated and that is inconsistent with the rights to freedom of expression and freedom from unreasonable search and seizure under the New Zealand Bill of Rights Act 1990 (NZBORA) and with privacy interests recognised by New Zealand law.” The Law Society, made up of some of our leading legal professionals, looked at this piece of law and came to the conclusion that it was inconsistent with the rights of freedom of expression and freedom from unreasonable search and seizure.

The Government has provided no justification for the dramatic expansion of the powers of the State that are in this bill, as the Law Society has described. Where is the giant, brand-new security threat that has suddenly emerged that means that we suddenly need to give the State massive new State power to intrude into our daily lives? Where is it? Have we had a new 9/11 that none of us here just happened to notice? Where is this new justification for some dramatic expansion of the powers of the State?

Denis O’Rourke: Dotcom.

Dr RUSSEL NORMAN: In fact, of course, the rationale for what has happened here is the whole Dotcom affair, as Mr O’Rourke has said. What the Government has done is use the Kim Dotcom affair as an excuse to dramatically increase the powers of the Government Communications Security Bureau. Today this has even reached a new and disgraceful level of scaremongering by the Prime Minister. On breakfast radio he kind of casually dropped into the discourse that al-Qaeda—al-Qaeda—was present in New Zealand, and that was why we needed this new bill.

I would ask people to think about this claim by the Prime Minister. Think about it like this. Either what the Prime Minister is claiming is true, and there is a serious threat to New Zealand from al-Qaeda—let us say that is true. If that is the case, then by the Prime Minister releasing this information and telling these dangerous people that we are spying on them and John Key has his eye on them, he has jeopardised national security. He has released sensitive national security information that was previously kept secret in order to hide from these people that the State was spying on them and watching them, that the State was protecting ordinary citizens from these dangerous terrorists—that is what John Key tells us; that they are dangerous. Instead, for purely partisan political purposes to get this bill through the House, the Prime Minister has now released this sensitive national security information and jeopardised national security—that is, if it is true.

What if what the Prime Minister said is false? I think that is another option that we should consider. If it is false and there is not a genuine threat to national security from this person or persons identified by the Prime Minister, then the Prime Minister is scaremongering. He is using something he knows to be false in order to scare people into voting for or supporting this bill. Whichever way you look at it, either the Prime Minister is jeopardising national security for partisan political politics, or the Prime Minister is scaremongering for partisan political politics. Which is it? Which is it, Prime Minister? What is the reason that you have done what you have done today, releasing this piece of information?

This bill does not happen in isolation, and it is not just about Kim Dotcom. This bill is part of a broader international discourse about the surveillance State. What we have discovered is that the truth is much worse than any conspiracy theorist imagined about what the surveillance State is up to internationally—in particular, the American surveillance State and the National Security Agency. What we discovered was that the National Security Agency is using its surveillance technology, which includes the Waihopai base—the documents released by the *Guardian* newspaper in the UK today show that the National Security Agency is using the Waihopai base—as part of its international surveillance programme. It goes by the name of XKeyScore, or some such programme. It goes alongside PRISM.

What this means is that we in New Zealand and the GCSB are part of this international surveillance programme that is gathering all of the electronic data of all New Zealanders and everybody else who it can reach—which is pretty much everybody who has access to these machines, these computers, and these phones—collecting it all in one place, and then making it available to the US Government, and possibly to the New Zealand Government as well. We just do not know.

So that is the international context in which this Parliament, by a single vote, is proposing today to expand dramatically the powers of the GCSB. It could not get much worse than that. We could not really be doing a worse thing in terms of the people who have come before us who have fought long and hard to protect basic democracy and basic freedoms, when this Parliament, by one vote, will vote to enable the GCSB to engage in mass surveillance of New Zealanders.

There is one element of the bill that the Prime Minister and others have used a lot, and which I want to touch on just briefly in my last minutes—cyber-security. There is no question that there is a need for a cyber-security agency in New Zealand. However, there is no need for that agency to be contained within the foreign intelligence agency that is the GCSB. It is, of course, about to become a domestic and foreign intelligence agency. Cyber-security should be held within the police. The police are already engaged in cyber-security. There is no need for this part of the bill to apply to the GCSB; it can be held elsewhere. If that were the case—that New Zealanders are getting their internet

protected by the police—there would be no concern that all their information is being shared with the “Five Eyes” and the Americans. This bill is a fundamental threat to our democracy and to our freedom. It is absolutely unnecessary, and the Green Party will vote against it.

The ASSISTANT SPEAKER (H V Ross Robertson): Just to inform the House, before I call the next speaker, this is a split National call—firstly Dr Jonathan Coleman and then the honourable member Tim Groser.

Hon Dr JONATHAN COLEMAN (Minister of Defence): That was a somewhat revelatory call by the leader of the Green Party. I honestly believe that he does agree with everything he said, but that is the sad point. You would expect that from the Greens. That is incredibly misguided. The basic fact of it is that there is not going to be mass surveillance of New Zealanders under this bill, the Government Communications Security Bureau and Related Legislation Amendment Bill. The intentions and consequences of this bill are that it is going to correct Labour’s flawed 2003 legislation. So we are actually clarifying what is going to happen.

In regard to spying on New Zealanders, the fact of it is that anything that the New Zealand Defence Force, the Police, or the SIS commissions the Government Communications Security Bureau (GCSB) to do on their behalf will be done on a totally legal basis. This is actually going to narrow the scope of the GCSB’s activities, with regard to New Zealanders.

I can understand how the Greens would be so off the mark with this, because, frankly, they are on a different planet. Russel Norman is an apologist for Ed Snowden. He was quite up front about that. So I can understand that. What I cannot understand is that the Labour Party, which knows better, has decided to play petty party politics with this whole process. Phil Goff was a Minister of Defence. He knows the threats that are out there. He knows why this legislation is needed. He was a Minister of Foreign Affairs and Trade, and yet he is not taking a firm grip of his leader and telling his leader that this is legislation that is needed.

We need to correct the flaws in our legislation of 2003. There is no question of that. I know that members over there have decided, very cynically, to exploit the degree of lack of knowledge out there in the public, and they are fermenting it. They are saying that this will lead to mass surveillance, when they know that, actually, it will not lead to anything of the sort. It is a major disappointment, because on security matters we should have a bipartisan approach in this Parliament. It was incredible to hear David Shearer speaking. He is saying that he wants an investigation into the intelligence services in New Zealand, and then in the same breath he is criticising Prime Minister John Key for detailing those threats. Well, I can tell you that if New Zealanders had a full understanding of the threats that are out there, they would know that this is legislation we absolutely need.

So this is not a power that is going to be used to spy willy-nilly on any old person out there who might criticise the Government or an agency. This is a power that is needed for the very security of our country. If you look at those 88 New Zealanders whom the GCSB has spied on over the last 10 years, they were people involved in organised crime, involved in people-smuggling, with links to overseas terrorist groups, people involved potentially in research to do with weapons of mass destruction. These are not the sorts of people who were marching against the bill, around the country, on Saturday; these are people who are major security threats to our country, and the bill is absolutely vital.

If the Green Party thinks that there is not a growing security threat, well, they need only look through the history of the world since the year 2000, because I can tell you that in every major global terrorist incident, New Zealanders have been caught up. New

Zealanders were caught up in 9/11, in the Bali bombings, and in the London tube bombings, and it is naive if anyone thinks that there are not people in this country holding New Zealand passports, both here and travelling overseas, who potentially do not present a threat to our national security.

So this is very important legislation, but the key thing is that it does not allow for mass surveillance. Everything that the Police, the SIS, and the Defence Force do, in terms of using the GCSB, has to be done with legal authority. So it is a very strong protection for the rights of New Zealanders. I think it is time that the Labour Party took its misguided Green Party colleagues by the scruff of the neck and said: “Look, this issue is serious. You’ve got to actually work with the Government to come to a sound understanding of this.”

The last thing I would say is that for Russel Norman to say there are hundreds of thousands of people in the free world fighting against this sort of legislation is completely wrong. And for Dame Anne Salmond to say: “If you vote for this, don’t come to Anzac Day.”, is completely misguided. This bill is totally in line with the wishes of those who have died for New Zealand in previous conflicts, namely, for the security and the well-being of the people of New Zealand. Thank you.

Hon TIM GROSER (Minister of Trade): I listened very carefully to the deputy leader of the Labour Party and the co-leader of the Green Party, and I have to say that I am not surprised that they continue to grossly misrepresent the purposes of this bill, the Government Communications Security Bureau and Related Legislation Amendment Bill, its specific safeguards, and the context within which this bill was drawn up. It is irresponsibility of a significant degree. We all know about Opposition politics, OK? There has got to be some slack given to Opposition politics, where things that were done when the party was in Government are airbrushed out of reality—fine. But there are some limits that have to be observed. We could debate, probably inconclusively, where they should stop before you start to undercut the fundamental concept where Government proposes and Opposition opposes, but we cannot debate where it starts. Where it starts is national security.

I am not going to address the Green Party’s issues; I think Mr Coleman very adequately summed up in his previous comments exactly where the real heart of the Green Party stands. But we expect a higher standard of care from the Labour Party, because when it was in Government it did not give us any signal that it thought it was living in political “La-La Land”, where there are only naughty teletubbies who just need better information to make more informed decisions. It understood about national security when it was in Government. Labour understands the types of crimes that the Government Communications Security Bureau (GCSB) has been involved in—unfortunately without adequate safeguards, which this bill is about to correct—around terrorism, around people-smuggling, and around fundamental threats to New Zealand’s national security, and on this issue the Labour Party should have shown a far higher level of responsibility and accepted that this was absolutely necessary to clarify the purposes of this bill.

We are just, as I said, airbrushing out of reality the fundamental problem with the legislation that Labour introduced in 2003, and to get up and start to make speeches about the expansion of spying powers is fundamentally irresponsible. The core operational section of the 2003 Government Communications Security Bureau Act says in section 8(1)(e) that the GCSB may assist “any public authority or other entity, in New Zealand or abroad, ... (ii) on any matter that is relevant—(A) to the functions of the public authority or other entity;”. You could drive a civil liberties bus through that section. There were so few protections of a legal and political nature around the original 2003 Labour legislation.

This bill—I am not going to go on; this is very straightforward—puts roadblocks in the way. This is no longer a highway down which any Government agency can apply on any matters that are relevant without proper safeguards and without proper legal procedures, and channelled through only three institutions of the State. The real reality is that this is a matter of national security. We are tidying up through putting in place proper legal and constitutional safeguards that will actually narrow the scope—narrow, not expand the scope—of the GCSB. The fact that the Labour Party—I have no confidence whatsoever that if we talk for the next 10 years the Green Party would ever get this point—is stirring up legitimate concerns of New Zealanders in a way that is totally at variance with the fact is simply outrageous.

Rt Hon WINSTON PETERS (Leader—NZ First): The sincerity of that last speech is evidenced by the fact that the man who gave it, Tim Groser, is just back from the latest round of the Trans-Pacific Partnership negotiations, but he will not tell one New Zealander what we are negotiating about. It is an utter secret.

The fact is that it is very instructive that the Attorney-General led off the debate for the Government, substituting bombast for substance, and I say this because it is very apposite for our future. That Minister who made that speech was put up for a certain reason, which as time unfolds he and we and everybody in the country will understand—but that is for another day.

The other thing is that the Prime Minister was so alarmed, in his press statement, at al-Qaeda being in New Zealand that he decided not to speak on this Government Communications Security Bureau and Related Legislation Amendment Bill, which is in his name. He was so alarmed by this information that he decided not to make a speech today and to put the usual yes-men up to give his address.

We rise on behalf of New Zealand First to speak on the Government Communications Security Bureau and Related Legislation Amendment Bill. We recognise that the defence and security of our country is of the utmost priority and we said so from day one. It is one of the fundamental pieces of the social contract between the State and its citizens that the people's safety and defence from internal and external threats must be maintained. And that fundamental principle, we believe, should be shared across all political parties, whether it be in relation to foreign affairs, the police force, or our citizens' right to protest.

We would like it to be on the parliamentary record that New Zealand First was prepared to seriously deal with this legislation, provided a number of safeguards were included. Sadly, this Government has not taken that approach, nor has it generally sought to work across the parliamentary divide. *[Interruption]* The member from Hamilton can make those sorts of frowning statements over there, but I will say something to him that he should not overlook: this is almost a sideshow to what has happened in New Zealand.

What has happened in New Zealand is that the Prime Minister is on record saying statements that are demonstrably not true. For decades the New Zealand people and our intelligence agencies have remained under the radar screen. They have been getting on with the job, protecting New Zealand's interests and remaining unseen by the general public.

Hon John Banks: Give us an example.

Rt Hon WINSTON PETERS: I say to Mr Banks, when he shouts “Give us an example.”, that Mr Dunne said that too and he was gone in a matter of days. We do not make idle threats here. I want to come back to say this. We had a status quo of our agencies under the radar screen. The status quo was maintained under numerous Governments both Labour and National. There was no great controversy until along came John Key.

In the past month we have seen our security agencies go from being an insular beltway issue to being one of great controversy on which nearly every New Zealander now has a view. New Zealanders are now well acquainted with the background because of all this news and speculation about spies, lies, and alibis. It is big news and the architect around the Government Communications Security Bureau (GCSB) controversy is the Prime Minister, who is the Minister in charge. With the Prime Minister coming primarily from a background of money speculation, we assumed that he might at least pay some attention to the detail, but he has not.

Remember that this issue exploded with the illegal actions of the GCSB over the Kim Dotcom affair. There is no time to go into the facts about that, save to say this: the Prime Minister's denials of prior information about Kim Dotcom, the Hollywood connection, the Washington power elite, and, because he just made a statement, the role of the Attorney-General—

Hon Christopher Finlayson: Ha, ha!

Rt Hon WINSTON PETERS: It is all laugh now, but you will not be laughing later—that I do know. I want to tell that man there that forensic research is critical in our game and there is the research that implicates him—deeply implicates him. *[Interruption]* It is no use saying it now. Wait until the reply at the end. I know that he led off, but if he wants to put it on the line today, I tell him to get up and say in the reply today that in no way is he in any way involved in the Kim Dotcom affair. Say it on the line, in this House, on the record, so that if it is disproved he has to go. That is my challenge.

Hon Anne Tolley: What? You're mad.

Rt Hon WINSTON PETERS: Oh, yes, you are right.

If you are looking in the mirror and you say: "What a nut.", you are quite right, because he is nuts to put his whole career on the line in the way that he has implied by his constant denials. The nature of the GCSB engagements, if you look at all those allegations and at the Prime Minister's denials, are all bound to fail.

Hon Christopher Finlayson: Complete fantasist.

Rt Hon WINSTON PETERS: Attorney-General—

Hon Christopher Finlayson: Complete fantasist.

Rt Hon WINSTON PETERS: No, no, it is not a fantasy. It is not a fantasy to know what the Attorney-General's record on this is. Nobody has inquired as to what he has done.

Hon Anne Tolley: What?

Rt Hon WINSTON PETERS: Do not look at your colleague. Do not look at the Minister of Police for some sort of haven, for some sort of refuge, because I have so often in my career seen denial after denial, only to see tears and desolation when it is over.

Hon John Banks: Oh, yeah, we know about denials, Winnie.

Rt Hon WINSTON PETERS: And John Banks knows all about this. John Banks knows all about this. For goodness' sake, he was hugged by a bear of a man and he could not remember him. He got into a helicopter and he could not remember that, even though he has got a helicopter licence and takes great pride in that. He went off to this great mansion and could not remember that. There was a huge Guy Fawkes display paid for by this great big bear of a man and he could not remember that, and then he got 42 separate donations and he forgot not one or five—that is possible—or 10 or 20. He forgot all 42. Unbelievable—unbelievable.

Hon John Banks: Have you paid the money back yet, Winston?

Rt Hon WINSTON PETERS: Unbelievable, Mr Banks, and that is why, sadly, the great career that most of his colleagues used to sponsor and help him through has now come to disaster. He is on his own.

The Prime Minister's stance is to deny culpability and to argue, despite the Eagleson missives, that he, as Prime Minister, is not responsible. How dramatically things have changed. This is what somebody said way back in 2007. He said: "Ladies and gentlemen, I believe you get the democracy you are prepared to stand up for. Here in New Zealand we often take our democratic freedoms for granted. We think they always will be there. We have a Bill of Rights which is supposed to protect our right to freedom of expression. What on Earth could go wrong?". And this member of Parliament went on to say this: "I have a different view. I believe what Thomas Jefferson said—that the price of freedom is eternal vigilance. We cannot and we must not take democratic freedoms for granted. Because, in reality, it is not a Bill of Rights that protects our rights. It is not up to a solicitor in the Crown Law Office or an official in the Ministry of Justice. In the end, it is not up to the government at all. The protection of rights lies with us, the citizens of New Zealand. There are times when we have to stand up for our rights, and the rights of our neighbours and friends, and indeed the rights of people we totally disagree with, or else these rights will begin to erode away."

Hon Annette King: Who said that?

Rt Hon WINSTON PETERS: Who said that? Why, John Key said that. Well, of course, detail is important. It was not Thomas Jefferson who made that statement, but John Philpot Curran, when he said: "The condition upon which God hath given liberty to man is eternal vigilance;". Facts are important.

What, Prime Minister and Attorney-General, has happened? Seeing as the Attorney-General has given all his political background and his majesty in the law, which he frequently, and in grave vanity, extols around the circuit, I ask what, Attorney-General, has happened? *[Interruption]* Ha, ha! Well, they have been selling off their ideals quicker than they have been selling off their assets. As for Peter Dunne, well, he said this: "... I think we start down a very slippery slope. And I for one, having had a long interest in protecting personal privacy, am not prepared to take that step." That is what he said on 11 June.

Who is overseeing the activities of the intelligence and security agencies, and are they independent, with teeth? First question—answer: no. What civil liberties are herein being eroded? Answer: too many. Three: with respect to metadata and new cyberspace technology, are there nevertheless in this bill fundamental principles that will see this law endure? No, there are none.

In conclusion, New Zealand First believes in the security of this country, its defence, and its well-being, and what we are opposed to is dangerous law changes and the sycophantic defence of them by people who should know better, like the Attorney-General—the sycophantic defence of the indefensible by the Attorney-General. This man appoints judges. This man has got enormous sway, and out there in the great land of the law he has shamed himself. This is bad legislation, and in its present form it should not pass.

Hon JOHN BANKS (Leader—ACT): We have just heard from the right honourable member who is the principal shepherd of the politics that has been practised so well by the Labour Party all week and has got it nowhere—dog whistle.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. I forgot to table the issue of the first emergency here—Mr Thorn has just resigned.

The ASSISTANT SPEAKER (Lindsay Tisch): Are you seeking leave to—

Rt Hon Winston Peters: Table information about that.

The ASSISTANT SPEAKER (Lindsay Tisch): Well, that is—

Hon JOHN BANKS: Point of order. This is not the appropriate time to do—

The ASSISTANT SPEAKER (Lindsay Tisch): I ask the member to sit. We have a point of order. Look, that information is publicly available—

Rt Hon Winston Peters: No.

The ASSISTANT SPEAKER (Lindsay Tisch): It is publicly available. It is on the website, and that—[*Interruption*] Order! [*Interruption*] Order! Please. I am calling the Hon John Banks.

Hon JOHN BANKS: About time, too. That was a rambling—a rambling—from the leader of New Zealand First. I can tell Parliament and the people of New Zealand today that the Prime Minister tried on numerous occasions to set up meaningful discussion with the right honourable leader of the New Zealand First—“Winston First”—Party to discuss these matters, and the phone was always off the hook.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker.

Hon JOHN BANKS: The phone was off the hook.

The ASSISTANT SPEAKER (Lindsay Tisch): There is a point of order. When I am on my feet, members will sit.

Rt Hon Winston Peters: I take offence at that gross misrepresentation about the New Zealand First Party and its name. The fact is that just because Santa Claus ran into heavy weather, it is no time—

The ASSISTANT SPEAKER (Lindsay Tisch): No.

Rt Hon Winston Peters: —to call Rudolph.

The ASSISTANT SPEAKER (Lindsay Tisch): No, look, the point that you make—[*Interruption*] Order! I am on my feet. The point that you made was a valid one. Members refer to members and their parties by their correct name. But it does not help then to go on and throw something back.

Hon JOHN BANKS: The Prime Minister tried on numerous occasions through his office to set up a meeting with the leader of New Zealand First, and the phone was always off the hook. The question I ask my colleagues on this side of the House is whether the politics of the dog whistle being perpetrated this week by David Shearer will work. Will they work for him? No, they will not work for him. He was also invited by the Prime Minister, in my presence in the Intelligence and Security Committee, to have a chat with the Prime Minister about these things, but, of course, he did not say that today. He offered the Prime Minister not one constructive piece of advice to make right this Government Communications Security Bureau Act, which the Labour Party put in place in 2003. We are here because of shonky legislation perpetrated on the people of New Zealand by the Labour Government in 2003. It could have had much more thoughtful legislation than that would have worked in the best interests of security and intelligence for this country, but, no, it put together and shonked together a piece of bad legislation that we on this side of the House have had to fix up—have had to fix up.

But the Labour members did not want to come across. They bleat today that this side of the House has just one number—one individual—to pass this legislation. We have been waiting for them for years. If it was not for the leadership of the Prime Minister to put this legislation right, we would still be dealing with the Labour Government’s shonky 2003 legislation that did not work in the best interests of New Zealand, including Dotcom. It did not work in the best interests of Dotcom. It did not work in the best interests of the 88 warrants that the Government Communications Security Bureau (GCSB) were exercising. It did not work in the best interests of an open, democratic society with a search and surveillance overview of the country to keep us safe. It did not work because the legislation was blurred and bleary, and, like the learned member, my aged friend over there, the Rt Hon Winston Peters, it was out of date. It was out of date. I say to the leader of New Zealand First that the legislation we are fixing today was, like

that member, well and truly out of date. Its use-by date was expired before it was even put in place in this Parliament in 2003.

The ACT Party and the people of Epsom back those who work to defend our country. The ACT Party and the people of Epsom back the men and women of the New Zealand Defence Force and our small but vital intelligence and security communication agencies. We do not put the boot into them. We do not blame them. We support them and we help them, and this afternoon we are supplying them with a legislative framework to make all of their work most worthwhile inside the legality of search and surveillance needed by this country for the democratic purposes of keeping these shores safe from people who would otherwise want to harm us.

The ACT Party and the people of Epsom back the men and women of the New Zealand Police, who keep us safe in our homes and our property and protect us. The ACT Party and the people of Epsom believe it is the primary duty of Government to keep New Zealand safe from both foreign and domestic threats to our lives and property. That is why any abridgment of our fundamental rights must be expressly authorised by clear law and only to the extent necessary to achieve the first duty of the Government—as Mr Attorney-General said so well, the protection of the rights and values of the people of this country.

All regimes that authorise the Government to engage in covert activities have three features. These are the three features that are spelt out in this new legislation. First, they must have clear legal authority; second, there must be strong executive branch oversight; and, third, there must be parliamentary oversight like the Intelligence and Security Committee on which I serve—and on which the leader of the Labour Party serves and on which the leader of the Green Party serves, and to which they made no substantive contribution to changes in the shonky legislation that we have tried to fix here today. They made no contribution on that parliamentary select committee whatsoever except criticism. What we tried to do is put right the legislation that they got wrong in the first place. Being fair to the Green Party, the Green Party in 2003 did not support this legislation.

Labour failed to get the law right in the first place. The Kitteridge report found that the 2003 legislation was probably never fit for purpose—that is what Miss Kitteridge said. That is what Justice Neazor said. It is not fit for purpose, it needs to be reformed, and that is what we are doing today. On the other side of the House they are whingeing and bleating because the people of New Zealand have not given them the numbers to be on this side of the House. They are still fighting the 2011 election. Further, the GCSB could intercept the communications of New Zealanders on behalf of public entities so long as those entities had legal authority to do this, yet Labour's legislation said, in contradiction to these express provisions, that the GCSB cannot intercept the communication of New Zealanders.

What a total mess this legislation became. What a total mess the execution of this legislation became. Labour cannot tell the country that it did not know the GCSB was doing this work on behalf of other public entities. Although it is fair enough for Labour to ask for an inquiry, Labour should have recognised the immediate need to fix up this legislation, which was probably never fit for purpose in the first place. Notwithstanding its plea for an inquiry, which was the only proposition it put to the Intelligence and Security Committee, it did not want to help this Parliament fix up that shonky piece of 2003 rushed-through legislation.

ACT agrees with the Cabinet secretary, who is a fine public servant, that the 2003 Act needs an immediate fix. That is what the fine public servant Rebecca Kitteridge said. It needs an immediate fix. The Prime Minister said to the leader of the Labour Party in my presence, and the Prime Minister said to the Green Party, and the Prime

Minister said to the apparatchiks in New Zealand First: “Come and have a cup of tea, and we will try to meet at the crossroads—we will try to meet at the crossroads.” The Prime Minister is good at having cups of tea, Winnie. He would willingly have had you in his office and given you some tea, to meet at the crossroads, so we could fix up a piece of legislation that you, Mr Peters, voted for in the first place.

The ACT Party is pleased to support the beefing up of the office of the Inspector-General of Intelligence and Security. The ACT Party suggested that there be better links between the Inspector-General and the Intelligence and Security Committee. There are matters not fixed by this bill that require more work. One such issue is the definition of private communications. There is a lot of work to be done. Is it not a pity that this Parliament could not agree on this piece of substantive legislation, to fix up the shonky piece of work that was a once-over-lightly done in 2003 by a previous Government led by Helen Clark? The bill is crystal clear on what the GCSB can do, and the bill is crystal clear on what the GCSB cannot do.

The final point I make, of course, is that there is a risk to freedom from the covert capabilities of any Government. That is stating the obvious. This bill seeks to manage the risk by improving oversight. That is why I support it.

Hon PHIL GOFF (Labour—Mt Roskill): There is a deep irony today in the fact that this Government will seek to pass this legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill, on the votes of two discredited and temporary MPs. One, John Banks, has just resumed his seat after speaking to this House. That man is the man who went to meet Kim Dotcom. He forgot about Kim Dotcom. He is a man who is easily overlooked!

Hon Trevor Mallard: And the giraffe.

Hon PHIL GOFF: He forgot about the giraffe, he forgot about the hippopotamus, he forgot about the biggest mansion in New Zealand, and he forgot about the helicopter ride that took him there. But, most important, he forgot about the fact that he went to Kim Dotcom and asked for \$50,000 in two cheques of \$25,000 each, and then declared the donation anonymous. That was not true. That was a lie. Everybody in this House knows that was a lie. And that man comes into this House to support a piece of legislation that fails to get a consensus of support in this House, and fails to get a consensus of support across New Zealand.

The other vote that the National Government relies on is Peter Dunne’s. Two weeks ago I heard Peter Dunne say on radio, without qualification, that he would not support a piece of legislation that gives the Government Communications Security Bureau (GCSB) the right to spy on New Zealanders. Without qualification, he said that he would not support that legislation. A week ago he said that there was a willing buyer and a willing seller. I wonder what the price was. What embassy was it? It is yet another political appointment that Peter Dunne will go on because he has sold his soul. He did exactly what he promised 2 weeks ago he would not do. That man was sacked as a Minister because he broke the oath of office as a Minister that he would not disclose the Cabinet papers of his own Government.

That is whom the Government relies on to get this legislation through. It does not rely on the support of ordinary New Zealanders. We had a poll, did we not, on TV3. It found that 40 percent of New Zealanders did not have trust and confidence in the GCSB. That is unprecedented. Forty percent of New Zealanders have lost faith in the organisation to which this Government is now extending the powers to be able to spy on ordinary New Zealanders.

We heard a lot of cant about the failure to get a consensus and why Labour was not supporting the bill. It was not through a lack of goodwill. This Labour Party accepts that we need to have intelligence agencies, and accepts that there are threats in the world—

cyber-security threats, threats to our economy, and threats, potentially, from terrorists. What it does not accept is that this piece of legislation is being passed in a way and with content that protects the other rights of New Zealanders, the rights to freedoms and privacy. I challenge the National Government and the next speaker who gets on his or her feet to say why it is that the key agencies of government that are our watchdogs to protect those rights and freedoms have all come out against this legislation.

The Privacy Commissioner—a former Secretary of the Cabinet, a woman whom you can absolutely rely on—said that this legislation must not go through, it needs an independent inquiry before we give these extra rights to that agency. We had the Human Rights Commission—not full of trendy lefties appointed by the former Labour Government but full of people appointed politically by that National Government—which said that this legislation should not pass. The commission said that it lacks adequate oversight, it makes inadequate provision for ensuring appropriate transparency and accountability of those who administer the legislation, and it does not provide for a legal regime containing sufficient safeguards against abuse of power and to facilitate a proportionate approach. That is from an agency—the Human Rights Commission—appointed by that Government.

There is no consensus in New Zealand for this legislation. There is no consensus in this Parliament for it. This Government is relying on two discredited MPs to pass legislation that we should be extraordinarily cautious about. We are giving powers to an agency that is not subject to the normal scrutiny by the media or by Parliament, because it acts in secret. We have the core submitters on this legislation saying that it has been rushed, that it was introduced under urgency, and that they had not time to prepare submissions on it.

This is legislation that should have taken time. This is legislation that should have followed a full and independent inquiry into not just the GCSB but, in fact, all of our security agencies. That is how you do it. That is how the Australians do it. They do it regularly. You have a full public independent inquiry and you base your legislation on what that inquiry shows. This Government has rushed the legislation through. This Government has rushed it through to cover its tracks and its own failures, incompetencies, and inadequacies.

What New Zealander believes that John Key has done his job in placing the GCSB under his proper scrutiny? I know that Helen Clark did. She was there until 1 in the morning doing her job. This man has not done his job. This man claimed not to have ever heard of Kim Dotcom, despite the fact he has the biggest house in his own electorate. This man claimed that he had never been briefed by the GCSB on Dotcom. That was not true, and it was proven untrue. This man said that he did not know about the illegality of the GCSB's spying until 7 months later. He did. It is inconceivable that he did not know about it. This man, John Key, said that he did not know that his deputy leader and Acting Prime Minister at the time, Bill English, had suppressed the ability of the court to know about what the GCSB had done. That had never been done before in the history of this Parliament and under our constitution, and he claims that Bill English never briefed him.

This man says that he has nothing to do with spying on journalists. That is not what Andrea Vance thinks. She said that that lacks credibility: "... [the Speaker and] John Key claim a cock-up ... over conspiracy. Forgive me if those assurances ring hollow." This is from a member of our parliamentary press gallery. This person, John Key, is simply covering up. This person cannot be relied on to exercise the proper scrutiny over our spy agencies. That is even more reason why we need legislation that will work even when we do not have a Prime Minister who can be bothered doing his job of oversight.

This legislation before us does not do the job. It is inadequate. It does not provide us with confidence in what will happen. You know, we even had a former head of the Department of the Prime Minister and Cabinet, David McDowell, see the legislation with its proposed changes and say this will not do. This is a man with inside information, who said that this legislation does not provide the protections or the assurances that we properly have scrutiny over an agency that we are giving extraordinary powers to. He is not a trendy leftie. He is not a wild radical. He is a lifetime professional—retired now—civil servant, just as Marie Shroff is. The two people who have better inside information than anybody else make a lie of the claims that are made by the Government about the protections provided for in this bill.

This bill does not have the confidence of New Zealanders. This bill will scrape through on the votes of discredited members of Parliament. I want to say disgraced members of Parliament—both of them are disgraced members of Parliament.

I want to say this last thing. You know, if the Prime Minister were interested in independent scrutiny of the GCSB, he would have followed a proper appointment process in appointing the man who is the director of it. He failed to tell the country that this man was a personal friend. He followed a process that the State Services Commissioner did not approve of. This is a man who takes short cuts. This is a man who looks after his own. This is a man who would misuse power, and he is saying: “Believe me, this is for your own good.” We live in an age—and I will finish on this point—where we have seen the abuse of power by security agencies, the National Security Agency, and the Government Communications Headquarters—

The ASSISTANT SPEAKER (Lindsay Tisch): I am sorry to interrupt the honourable member, his time has expired.

TE URUROA FLAVELL (Co-Leader—Māori Party): Tēnā koe, Mr Speaker. Kia ora tātou katoa. I will start by saying that the Māori Party will not be supporting this legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill.

In the first 6 months as an MP, in March of 2006, I supported the call for a broader debate on intelligence and security matters. From relatively fresh eyes, as they were at the time, I shared the word on the street that the new anti-terrorism legislation was being pushed through Parliament in way too much of a rush. I could see protesters or activists designated as terrorists, even myself at the time.

I was told a story from the very early days of the Māori Party, in late 2004, when a Sunday newspaper had revealed that the Security Intelligence Service had launched a major covert operation investigating the Māori Party, our members, our leaders, and our associates. Operation Leaf, the story revealed, had been a major SIS campaign targeting various Māori organisations over several years. The article disclosed that a former SIS agent allegedly said he had quit the operation because of his disgust at the system that was spying on decent, law-abiding New Zealanders. Understandably, we were very, very angry about that, and yet the reaction from the Prime Minister at the time, Helen Clark, was that these allegations were simply “a work of fiction and laughable”.

I will take the time to go back just a little bit in time to a part of the history around surveillance and human rights in Aotearoa. There are other episodes, of course: the case of the Algerian refugee Ahmed Zaoui, a political prisoner imprisoned, for nearly half of it in solitary confinement in maximum security, without charge or trial, and, earlier still, in 1996 when the SIS was caught trespassing in Aziz Choudry’s house. These all form the history of the bill we are debating today. Fundamentally, that is one of the greatest issues we have with the whole debate around the Government Communications Security Bureau (GCSB) and the current legislation. For the very nature of the work in question is such that we will never know whether Operation Leaf was indeed fictional or fact.

The bill is being put forward to make amendments to the objective, function, powers, and limitation provisions, supposedly to improve clarity about the legal parameters for GCSB's activities and to accommodate changes in the prevailing security environment. Well, the New Zealand Law Society, as many have quoted already, was pretty up front about what "clarity" actually means. In its submission it said: "The bill empowers the GCSB to spy on New Zealand citizens and residents, and to provide intelligence product to other government agencies in respect of those persons, in a way not previously contemplated and that is inconsistent with the rights to freedom of expression and freedom from unreasonable search and seizure". That is pretty hefty stuff from people who have high reputations, and it certainly alerts us to common concerns around the new powers to conduct surveillance.

The underlying question must be: what does it mean for our people? We have to recognise the impact of context. The author of the book *The Hollow Men*, Nicky Hager, has noted that since the passing of Labour's Terrorism Suppression Act 2002 "people taking part in ordinary protests have found that they are being subjected to much heavier policing." According to Mr Hager, police have routinely removed computers, and exercised far tougher measures against people exercising a legitimate right to protest. Then you fast forward to 15 October 2007 and the raft of search and surveillance methods used in the police terror raids in Operation Eight and the subsequent human rights breaches.

Let us make no mistake. Law enforcement needs must be adequately met but, at the same time, in a way that is consistent with human rights values. I will tell you this: the Māori Party will never stop stating the obvious, that we want the system to be held accountable for decisions taken against so many innocent children who were taken from their homes in their nightwear, and searched in the street, causing significant trauma in the process. We must have answers for the way in which the State embarked on virtual PlayStation assault against the innocent people of the sheltered valley of Ruātoki.

That shameful period was followed by an equally disturbing raft of legislation including the Video Camera Surveillance (Temporary Measures) Act, forced through in 24 hours, and the Search and Surveillance Act 2012, also known as the "Guilty of Suspicion Act" or the "Creepy Peeping Act". Here we are again—here we are again. Whether the Government is red or blue is irrelevant; the secret surveillance of citizens appears to come with the territory of being the ruling power.

I come back to the questions of why exactly this new legislation is required and what it will do. Earlier this year the Māori Party wrote to the Prime Minister requesting a copy of the names of the 85 citizens who were the subject of potentially illegal surveillance by the GCSB, which were revealed in the Kitteridge report. We suggested that, to restore public confidence, the public disclosure of the names was required. The response we received from Mr Ian Fletcher, Director of the GCSB, left us in no uncertain terms that names would not be released, and that releasing those names might "prejudice the maintenance of law".

That is the catch-22 situation in which this bill is trapped. In order to restore public faith and confidence, we need to know more about the need for the proposed legislation. Yet the activities of the Government Communications Security Bureau by form and function are not readily available for discussion. No explanation or justification for the conferral of the new powers is given. The explanatory note states that the Act as it stands "was conceived at a time when the nature, extent, and potential impact of the cyber threat was dramatically different from the threat posed now". Again, that explanation is meaningful only if one knows the nature and the type of threat that is now faced. That is the point made also by the Human Rights Commission. A letter received today from the Chief Human Rights Commissioner, David Rutherford,

recommended that New Zealanders have access to more knowledge about the potential nature of the threats that surveillance might be used to monitor.

The Māori Party believes a little knowledge is essential to ensure that whānau are safe from being unlawfully scrutinised by the State and safe also from the potential threats that have supposedly pre-empted the need for this bill. That is the question John Adams, representing the Adams and Huatau Marae, outlined in his submission, when he said: “robust checks and balances must be in place to ensure citizens seeking natural justice and due process are not labelled and treated as enemies of the state.” He continued: “History is littered with conscientious objectors to whacky government policy, and those seeking natural justice and confidence in public process being targeted for surveillance and/or marginalisation.” Cherie Hereora echoed the same sorts of concerns, defending the right of New Zealanders to privacy and to “the freedom to go about their daily lives without being watched by a government agency as if they are criminals”.

Finally, I want to leave the last word in this debate to the public health physician and senior lecturer at Te Kupenga Hauora Māori, Dr Rhys Jones. Dr Jones, of Ngāti Kahungunu, expressed great concern about the objective in proposed new section 7 in clause 6 of the bill around the economic well-being of New Zealand. His statement is powerful and warrants the attention of this House, so I quote directly from his submission. He says: “If critics of government policies were deemed to be a threat to the economic security, the GCSB would have the power to spy on those individuals or organisations. This has serious implications for freedom of political discourse. Government surveillance, or the provision for Government surveillance, has a chilling effect on political expression and a detrimental effect on social relationships between citizens. It must be kept to an absolute minimum if we are to remain a free and democratic society. No justification has been provided for these powers, and therefore they should not be granted.”

The Government does not need any more power to put New Zealanders under surveillance. Freedom of association and freedom of speech are fundamental to any democratic society.

The ASSISTANT SPEAKER (Lindsay Tisch): I understand the next call is a split call. I will ring the bell at 4 minutes.

Hon DAVID PARKER (Labour): I was astounded to hear the Attorney-General in his opening address in this debate say that under this legislation there are no grey areas—no grey areas. It is just impossible to conclude that there are no grey areas left in this Government Communications Security Bureau and Related Legislation Amendment Bill, when you have the Privacy Commissioner, the Human Rights Commission, and the Law Society all saying the opposite. I cannot see how the Attorney-General can get to that position, in the face of that clear advice. There is no doubt that this legislation widens the existing powers of the Government Communications Security Bureau (GCSB). There is no doubt that we need to have appropriate legislation for the Government Communications Security Bureau (GCSB). There is no doubt that the existing legislation for the GCSB is imperfect and needs to be improved. But there is no doubt that this is not the right way to go about it. Effectively, what the Government is saying is “Trust us. We know what we’re doing.” It is essentially what it is saying. It is saying “Ignore the concerns of the Privacy Commissioner, the Human Rights Commission, the Law Society, and the Opposition parties, and just trust us.”

I want to set out reasons why I do not think New Zealanders trust the Government on this, because there is now a litany of what I think are inappropriate actions by this Government, which undermine public confidence and civil liberties. The Hon Phil Goff

went through the appointment of Ian Fletcher, where the Prime Minister had to have the truth dragged from him, initially denying that he knew him, when it was proven that he did.

Hon Anne Tolley: He did not.

Hon DAVID PARKER: He did—he did. He said he was sort of a person he might have met once or twice. It turned out that he went to school with him, he had breakfast with him, he asked him to apply for the job, he rejected the short list, and then he appointed him.

Andrew Little: He played rugby with him.

Hon DAVID PARKER: Then—and played rugby with him—he claimed not to have been briefed about Kim Dotcom, and it was proven that he was, and then he claimed, and still claims, that Mr English did not tell him, when he was out of the country and Mr English was Acting Prime Minister, that he authorised the suppression of evidence relating to Kim Dotcom. It does not add up.

Then we have had the prior exercises of improper use by this Government of the power of the State against the media. We had the teapot tapes, a stunt that was designed to shoehorn John Banks into the Epsom electorate in order to get a majority at the last election. The stunt went wrong. This very public event with cameras there for a stunt went wrong when the improper or embarrassing comments by the Prime Minister and John Banks were recorded by a journalist. There were two defences to what happened. First—that it was always clearly a public event and no one was going to convict a journalist for recording that event, when they set up that public stunt. Secondly, even if it had not been public, if it had been private—and I do not think it was private, but even if it had been—if it was inadvertent recording, it was legal. The Prime Minister during the election used the power of the State through the police against the media, and in the end did not pursue it because he knew that it would be embarrassing to the Government. There would be no conviction entered against the journalist, but none the less when the Government dropped the matter it said: “We deem him to be guilty.”—without trial!

Then we had the other instance of the Serious Fraud Office raiding the *National Business Review* and using production or examination orders against it to try to get information about South Canterbury Finance, following the inept inquiry by the Government agencies. That, again, was an improper breach of media freedoms by the Serious Fraud Office. We in the Opposition said “Let’s fix it through the search and surveillance legislation”, but the Government refused to do that. Even now, to this day, the Serious Fraud Office has the right to use production orders and examination orders against the media.

Then we have had the Parliamentary Service. Then we have had the Skycity debacle, where there were improper processes, and to this day the Government suppresses the advice given by Treasury to the Ministry of Economic Development, by the ministry to the Department of the Prime Minister and Cabinet, and by the Department of the Prime Minister and Cabinet and the Ministry of Economic Development to their Minister, the Prime Minister—still suppressed. And then we have had the ousting of the jurisdiction of the court in respect of the disability legislation, so that New Zealanders cannot go to court. Then we have had the use of urgency to curtail people’s rights of protest at sea, with no select committee report, no New Zealand Bill of Rights Act vetting. We are 5 years after the abolition of the Canterbury Regional Council and we still have got no local democracy in Canterbury. And the Government says: “Trust us. We know what we’re doing.” That is why, amongst other reasons, the Opposition does not trust this Government and does not think that this legislation should proceed.

STEFFAN BROWNING (Green): I stand to talk to the Government Communications Security Bureau and Related Legislation Amendment Bill. The Green

Party, clearly, is not supporting this bill, just as it has not supported the Waihopai spy base from before it was even built.

The Waihopai spy base is the classic symbol of the activities of the Government Communications Security Bureau (GCSB). The Waihopai spy base, where I was very recently at another protest to help raise attention to its relevance to this bill, has been spying on New Zealanders for a long, long time. John Key is now intending to use that base. Along with his personal friend whom he hired through a very shonky process—his personal friend, Ian Fletcher—to head the GCSB, they, through this legislation, will now carry on and spy, if this gets to be passed, legally on New Zealanders rather than the illegal spying that it has done in the past. I for one do not trust that to be the end of that either, in terms of illegal spying.

The Government Communications Security Bureau and Related Legislation Amendment Bill suggests that there will be certain provisions and warrants around whom can be spied on and when, and certain processes. So we assume that the 85 people identified through the Kitteridge report—unfortunately, the people, or the targets, themselves were not identified, but the fact is that there were 85 through to 88 different ones illegally spied on who, no doubt, will be legally spied on. It is very, very interesting that those people who were spied on did not end up in a court, did not end up in the justice system, because of something that they were doing apparently illegally, but the powers that be—John Key and others involved in this—were doing it illegally. So here we are with a bill that has no justification at all.

I suggest that that 85 is the tip of the iceberg because, as we have learnt, and we have learnt it through repeated activities of whistleblowers such as Edward Snowden, being the latest—and thank goodness Edward Snowden has had the bravery to come out and to blow the whistle on the US National Security Agency.

Simon O'Connor: That's why he's hiding, is it? So brave, he's hiding.

STEFFAN BROWNING: He needs to hide because the USA, in its approach to foreign policy, is not very kind, even to its own people, because the USA is also spying on its own civilians, and that is what Edward Snowden has revealed. Of course, as soon as he came out he said that Five Eyes, which Waihopai is part of—Echelon, which is what the Waihopai system is involved in—is spying on as many people as it possibly can, and we have always said that. What he has done is come out and show that that is, in fact, the truth. What has come through the wires and things today is showing that there is a dot right on Waihopai as part of that system that is involved through the UK, in this instance, but is still part of that Echelon system. What he also did was show that every email is open for the fullest surveillance, and how if I were to email somebody on either side of the House, or a friend or family or whatever, that email can be accessed.

What we need to remember is that thousands of people in New Zealand were prepared to go to the streets over this issue. But it was not just those people you say might be traditional protesters or whatever who are prepared to get out there. There were others out there whom we do not normally see. They are very, very concerned about their civil rights. We suggest that a full, robust, and independent inquiry is needed ahead of this bill. We will not be supporting this bill. Thank you.

Hon ANNE TOLLEY (Minister of Police): I have to start today by saying that I am absolutely appalled at the determination by the Opposition to play politics with this nation's security. It is based on untruths, it is based on scaremongering, and it has been based on what you could describe only as a political tin hat mentality.

This bill, the Government Communications Security Bureau and Related Legislation Amendment Bill, clarifies that police can lawfully request the assistance of the Government Communications Security Bureau (GCSB) to intercept private communications in New Zealand, but this assistance is limited to instances where New

Zealand Police has the lawful authority to intercept but does not have the technical capability to undertake that interception. This is supported by the Policing Act, which gives police the ability to seek assistance from any person or organisation that may be able to give effect to a lawful interception authority.

As Minister of Police, I am well aware of the threats to our Kiwi way of life from international organised crime. In fact, we would not be exaggerating to say that organised crime has never been more pervasive, more powerful, and more complex. A UN report published in April this year estimated the cost of transnational organised crime in East Asia and the Pacific to be in the region of US\$90 billion—US\$90 billion—with counterfeit goods, illegal wood products, heroin, and methamphetamine the top money spinners.

The drug runners, of course, do not need to sell their evil wares face to face any more. They do not have to dodge the police on the streets; they simply advertise them on the internet. People troll the internet for the drug of their choice, they order it, and they can expect to have it delivered to their door. This activity is growing and developing rapidly, and although our established monitoring systems continue to provide good insight into the established and traditional drug markets—in the *Dominion Post* today, there was report of another successful raid based on very good information—the speed and the complexity of these new developing markets are making the monitoring increasingly difficult. Monitoring will continue to decrease in effectiveness as we all struggle to understand and stay ahead of this very lucrative industry.

The challenges for our law and border enforcement agencies are huge, yet lawful interception is used to solve serious crimes such as murder, kidnapping, aggravated robbery, child exploitation, and drug distribution. Interception of private communications in real time is currently used to investigate, disrupt, and prosecute serious criminal activity, including organised crime, and to inform the response to emergencies like armed defenders situations or kidnappings. As such, the GCSB's assistance in a select number of investigations can be absolutely critical for police to effectively respond to and solve serious crime. Interception allows the detection, disruption, and proof of organised criminal activity, such as the illegal importation of drugs into New Zealand.

In 2005 New Zealand Police was advised by an overseas police force about an organised crime group smuggling drugs into New Zealand, so it launched an investigation. It found a group of about 12 people working together over a number of months, opening bank accounts and storage units around New Zealand—quite legitimate activities—while also placing international orders for shipments of paint and cement, and establishing relationships with local drug dealers. Police were granted interception warrants. The information that they got from those led to two suspicious containers being seized. One, the shipment of paint, was found to contain 95 kilograms of methamphetamine, and the shipment of cement contained 150 grams of pseudoephedrine, which is a precursor for methamphetamine. The interception allowed the suspicious shipments to be identified in time and allowed those receiving the containers and distributing the drugs locally to be identified and arrested. In fact, it provided such strong evidence of the organised criminal activity that all the accused were found guilty and a number of them even pleaded guilty before the trial.

The internet provides a virtual marketplace for illicit goods such as drugs and guns. It enables global virtual networking and social interaction between criminals, between international gangs, and between that ever-increasing group of sophisticated criminal entrepreneurs, who are pretty savvy operators—ready, willing, and able to exploit the

online environment. They are becoming increasingly active, selling fake investments via the internet to unsuspecting New Zealanders. Mass-marketing fraudulent schemes on the internet is very easy; they are invisible, and they never have to set foot in the country. They steal personal information and personal identification in order to commit fraud or internet crime.

What of the child pornography and exploitation rings—that global network of perversion? International organised crime makes a huge amount of money from this obscene business. New Zealanders want the GCSB to be watching the activities of these international gangs of thugs who make money from the misery, exploitation, and torture of innocent children.

The Australian Government has just published a report by its Australian Crime Commission on organised crime and it shows that in the past 2 years globalised organised crime is pushing hard into Australia and New Zealand, stretching the abilities of law agencies to keep pace with syndicates now threatening national security. The report states: “Organised crime ... is inextricably linked to international organised crime. Serious and organised criminals operating in Australia necessarily have international links to facilitate their activities—particularly the movement of illicit goods into Australia—and overseas-based organised criminals actively target Australia. This means that strong and trusted partnerships with overseas law enforcement agencies are now more fundamental to combating organised crime than they have ever been.” Why does the Opposition think that New Zealand is in any different place from Australia, under threat from international organised crime?

Finally, I want to remind this House that, despite the Opposition’s outrageous scaremongering, interception of private communications is an important tool to combat serious crime. In addition, it can identify and rule out innocent people. There was another case where a child—

Andrew Little: What a disgraceful Minister. What a dreadful Government. You don’t care about human rights and civil rights.

Hon ANNE TOLLEY: Just listen, Mr Little, and you might learn something. A child was murdered in 2005. The police investigations had narrowed down the number of suspects, but were not able to further establish whether a neighbour or a member of the child’s own family had been responsible. Police were granted an interception warrant. Interception enabled the police to rule out the involvement of the child’s family. The investigation was then focused on the neighbour, who was later brought to trial and found guilty of the crime. Without the use of interception, the investigation would have been greatly prolonged and much more painful for the child’s family.

I have sat through all the speeches in this House today, and I do not understand why the Opposition is quite prepared to sit on its hands and demand a lengthy inquiry, another talkfest that the Labour Party is so well known for. Those members love to talk about this stuff, but when it comes to actually doing something, they were bereft in the 9 years that they were in power, while New Zealanders are at risk from the menace of organised crime, from the drug runners, from the scammers, from the child exploiters, and from the “hactivists”.

This is a very sensible bill. It strengthens and it clarifies the activity of this essential service to protect our New Zealand citizens, our New Zealand companies, and, most important of all, our New Zealand way of life.

A party vote was called for on the question, *That the Government Communications Security Bureau and Related Legislation Amendment Bill be now read a second time.*

Ayes 61

New Zealand National 59; ACT New Zealand 1; Independent: Dunne.

Noes 59

New Zealand Labour 34; Green Party 14; New Zealand First 7; Māori Party 2; Mana 1; Independent: Horan.

Bill read a second time.

TABLING OF DOCUMENTS

GCSB, Review of Compliance—Investigation into Leak and Authorisation for Release of Data

LOUISE UPSTON (Senior Whip—National): I seek leave to table an email referred to by the Hon Steven Joyce, answering on behalf of the Prime Minister in question time earlier today.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there anyone opposed to that course of action? There appears to be none. Leave is granted.

Document, by leave, laid on the Table of the House.

IMPREST SUPPLY (SECOND FOR 2013/14) BILL

First Reading

Hon Dr JONATHAN COLEMAN (Associate Minister of Finance) on behalf of the **Minister of Finance:** I move, *That the Imprest Supply (Second for 2013/14) Bill be now read a first time.*

A party vote was called for on the question, *That the Imprest Supply (Second for 2013/14) Bill be now read a first time.*

Ayes 63

New Zealand National 59; Māori Party 2; ACT New Zealand 1; Independent: Dunne.

Noes 56

New Zealand Labour 34; Green Party 14; New Zealand First 7; Mana 1.

Bill read a first time.

APPROPRIATION (2013/14 ESTIMATES) BILL

Third Reading

IMPREST SUPPLY DEBATE

Hon Dr JONATHAN COLEMAN (Associate Minister of Finance) on behalf of the **Minister of Finance:** I move, *That the Appropriation (2013/14 Estimates) Bill be now read a third time and the Imprest Supply (Second for 2013/14) Bill be now read a second time.* These bills authorise the appropriations and provide the financial flexibility needed to implement the Government's Budget and economic strategy for the 2013-14 year.

In considering this Budget it is worth reflecting on the environment in which recent Budgets have been prepared. When the financial crisis started in 2008, it was not appreciated that what was unfolding would become the worst financial crisis since the Great Depression and would impact economies around the world as severely, and for as long, as it actually did. By 2009 it was clear that many countries around the world were