

Trust) Amendment Bill, and the first reading of the Insurance (Prudential Supervision) Amendment Bill and its referral to a select committee. This is a very important suite of bills that the Government wishes to make significant progress on. I will just work back through them.

The Insurance (Prudential Supervision) Amendment Bill is about ensuring that in the event of insurance company failure there is capacity for the Reserve Bank, which is effectively the regulator, to ensure that there is an orderly run-out of insurance services. We know that in the environment in which we live at the moment the prospect of distressed insurers getting into trouble is very real. We have seen three companies in that position so far. We need to be prepared for the worst if it were to happen.

The introduction and passing of the Trustee (Public Trust) Amendment Bill is necessary in order for the House to take a position ahead of the High Court deciding some matters in the Capital + Merchant Finance case, effectively ensuring that it is not the Public Trust that becomes the default trustee in circumstances of finance company failures. Once again, we have seen some pretty awful stuff in that regard in recent times.

The Land Transport Management Amendment Bill deals with a significant issue that is on the Order Paper of the House as a discontinuance allowance. Without this there would be no clear ability for people who operate off-road vehicles to in fact escape the road-user charge regime. There are a number of other measures that go into that bill that are extremely important and relate to the road-user charge and excise calculations on vehicles.

The Prisoners' and Victims' Claims (Continuation and Reform) Amendment Bill is one that the House has dealt with on a number of occasions. There have been several extensions of that legislation. It is now time to have a position that will take us forward.

The Criminal Procedure Legislation Bill is one that the New Zealand Police and the Ministry of Justice are very, very keen to see progressed, and one that I believe has widespread support from the House. It is one of those bills that will make a difference to the way in which prosecutions are able to be brought in a timely and speedy fashion.

The introduction of the Telecommunications (Interception Capability and Security) Bill, with its referral to a select committee for a 4-month period, is one that clearly deals with a number of issues that have been topical in recent times.

Finally, as to the introduction of the first bill that we will deal with today, the first reading of the Government Communications Security Bureau and Related Legislation Amendment Bill, this bill clears up a number of matters that were brought to light in the recent inquiry, so that the operations of our security services can be carried out in a fully lawful way.

A party vote was called for on the question, *That urgency be accorded.*

Ayes 64

New Zealand National 59; Māori Party 3; ACT New Zealand 1; United Future 1.

Noes 56

New Zealand Labour 33; Green Party 14; New Zealand First 7; Mana 1; Independent: Horan.

Motion agreed to.

GOVERNMENT COMMUNICATIONS SECURITY BUREAU AND RELATED LEGISLATION AMENDMENT BILL

First Reading

Hon JUDITH COLLINS (Minister of Justice) 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 first time. At the appropriate time I intend to move that the Government Communications Security Bureau and Related Legislation Amendment Bill be reported to the House by 26 July 2013, and that the committee have authority to meet at any time while the House is sitting except during oral questions, during any evening on a day on which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 188 and 191(1)(b) and (c).

This omnibus bill focuses on New Zealand's intelligence community, which has a vital role to play in our national security. The bill makes amendments to three separate Acts, and it has three main objectives: first, to provide a clear and consistent legal framework for the Government Communications Security Bureau to operate within; second, to update the bureau's legal framework in response to the rapidly changing security environment, particularly in relation to cyber-security and information security; and, third, to strengthen the oversight regime that applies to our intelligence agencies.

The recent compliance review of the Government Communications Security Bureau has highlighted that there are difficulties of interpretation in the existing Government Communications Security Bureau Act 2003. The 2003 Act sought to codify and make transparent existing practices of the then Government Communications Security Bureau, but, under scrutiny, the 10-year-old Act potentially limits the bureau's ability to provide the support and advice that successive Governments expected, possibly limits current support and advice that can be provided, and most certainly will restrict the bureau's ability to look after New Zealand and protect New Zealanders. For an organisation with intrusive powers like the Government Communications Security Bureau, an unclear legal framework is simply not good enough. Therefore, the responsible thing for this Parliament to do is to move to clarify that Act. This bill does that. This bill will make the Government Communications Security Bureau Act clearer and more transparent so that it is clear what the agency can and cannot do. In addition to that, the bill also strengthens the oversight regime of our intelligence agencies by making amendments to the Inspector-General of Intelligence and Security Act 1996 and the Intelligence and Security Committee Act 1996.

The Government Communications Security Bureau is arguably more important in New Zealand now than it has been for many years. As the key agency responsible for advising on and protecting against threats to New Zealand's cyber-security, the Government Communications Security Bureau is at the forefront of tackling a rapidly increasing threat. The bureau has three core functions: first, information assurance and cyber-security; second, foreign intelligence; and, third, cooperation and assistance to other entities. Two of the Government Communications Security Bureau's three core functions—specifically, information assurance and cyber-security, and cooperation and assistance to other entities—are currently compressed into only a single paragraph in the Act. This makes it both complex to negotiate and inadequate to empower the bureau to carry out the full range and scope of activities envisaged in these functions. Splitting the two functions apart in the legislation will allow us to more easily articulate what the Government expects the Government Communications Security Bureau to do and will provide greater transparency. It is important because New Zealand is no longer as distant from security problems as it has been in the past.

The particular role of assisting with information security is clearly indicated in the Government Communications Security Bureau Act, but the current wording could be interpreted to mean helping only the public sector, potentially excluding critical infrastructure operators and organisations of national significance. We want to be able to use the Government's significant investment in technology and expertise in this field for the benefit of the wider State sector, critical infrastructure operators, and other key

economic contributors. A safeguard is built into the bill in this area. It requires the Government Communications Security Bureau to get a warrant from the responsible Minister and the Commissioner of Security Warrants when it is performing this function in relation to the communications of New Zealanders.

I will now speak briefly about the bureau's foreign intelligence function. This function is currently defined in the Government Communications Security Bureau Act in a highly prescriptive way, describing the overall function that the function involves and how it is to be achieved. The Act specifies such activities as deciphering, decoding, translating, examining, and analysing communications. When the House considers how technology has changed the way we communicate over the past 10 years, and in light of future changes that can already be anticipated, these specific descriptions are extremely limiting. They are also likely to mean that the Government Communications Security Bureau's abilities to protect New Zealand and New Zealanders are left behind by technology. We are therefore proposing to describe the bureau's foreign intelligence function at a higher level than the current prescriptive legislation.

I would like to move now to talk about the third function of the Government Communications Security Bureau, which is cooperation and assistance to other entities. A particular issue has arisen around the bureau's role in supplying crucial support to other entities, including the New Zealand Defence Force, the New Zealand Security Intelligence Service, and the New Zealand Police. It has been a longstanding practice of the Government Communications Security Bureau, including under successive Labour-led and National-led Governments, to provide assistance to other entities. However, as I stated earlier, there are difficulties of legal interpretation in the existing Government Communications Security Bureau Act, including in relation to this assistance. The Government has decided that there is too much uncertainty to continue this very important activity under the existing law. The vast bulk of this type of activity remains on hold until legislation is passed by this Parliament to provide greater clarity about whether the bureau can provide assistance to others. Currently the Act says that assistance may be provided but only on matters relevant to the pursuit of the bureau's own objective, or the safety of a person, or the prevention or detection of serious crime. That limits or at least makes uncertain when the bureau is able to share its expertise across the intelligence community and the wider public sector. We want to provide greater clarity and ensure the bureau can help other agencies fulfil their lawful duties, particularly in the areas of security and law enforcement.

I would like to move now to speak about the significant changes to the oversight regime supporting the clarifications to the Government Communications Security Bureau Act. The most immediate oversight of activities by our intelligence agencies is internal oversight within an organisation. In respect of the Government Communications Security Bureau, two of our proposed law changes to the Act will impact directly on the way it manages itself. First, the bureau will be required to maintain written records of all warrants and authorisations in a way that is readily accessible by the Inspector-General of Intelligence and Security. This will support a compliance culture.

Second, we are creating new obligations for the bureau in respect of the handling of personal information. These obligations will be based on the following principles, which are recognised under the Privacy Act: the purpose of collection, storage and security, accuracy, and not keeping information for longer than necessary. Under this bill the principles identified above will be transposed into the Government Communications Security Bureau Act with appropriate modifications to recognise the requirements of national security and the nature of intelligence gathering to serve as the basis of a new policy on personal information. This policy will be signed off by the

director of the Government Communications Security Bureau in consultation with the Inspector-General of Intelligence and Security and the Privacy Commissioner, and compliance will be regularly audited with results communicated to the Privacy Commissioner. The Office of the Privacy Commissioner and the Inspector-General of Intelligence and Security will have overlapping responsibilities in this area, which will help give confidence that the bureau is implementing these privacy protections.

I would like to discuss external oversight, which applies to intelligence agencies as a whole. As one of our most important new measures we are creating the role for the Commissioner of Security Warrants in relation to the Government Communications Security Bureau Act. Whenever the bureau is called upon to intercept the communications of New Zealanders—this could occur either as part of its information cyber-security function or when the bureau discovers a New Zealander acting as an agent of a foreign power as part of its foreign intelligence function, which is one of the existing exceptions to the basic premise in section 14. In such circumstances, before the bureau can take further action, it will first be required to get a warrant issued jointly by the responsible Minister and the commissioner. This is very similar to the role of the commissioner in respect of domestic warrants sought by the New Zealand Security Intelligence Service and is an important safeguard in respect of New Zealanders' privacy. Of course, the commissioner will not play a role when the Government Communications Security Bureau is assisting another entity to perform that other entity's functions. This is because the other entity will have the authority to undertake that activity. Such authority could take the form of a warrant issued by the courts or an existing statutory authority granted by Parliament, or such other source of legal power to carry out the activity. In such cases the bureau will be governed by the restrictions and limitations that apply to the other entity.

In broad terms, the changes to strengthen the Inspector-General legislation fall into three categories: the first is legislative changes, expanding the Inspector-General of Intelligence and Security's work programme, and enhancing reporting responsibilities; secondly, increased resourcing of the Office of the Inspector-General of Intelligence and Security; and, thirdly, legislative change to address the required qualification to broaden the pool of candidates and the appointment process. It is the Government's intention that the Inspector-General's office will become a more proactive overseer of the intelligence community that is able to launch its own investigations and is better resourced to do so.

In conclusion, the changes proposed to the Act do not represent an extension of powers, but do clarify that the Government Communications Security Bureau can resume its longstanding practices under successive Governments. The legislation must be clear, must be fit for purpose, and must allow the Government Communications Security Bureau to get on with the job of protecting the interests of New Zealand and of New Zealanders.

The ASSISTANT SPEAKER (H V Ross Robertson): Before the Minister sits down, on the issue of process and good governance, it is important for the Minister to indicate to the House to which committee this legislation is to be sent.

Hon Trevor Mallard: She did.

Hon JUDITH COLLINS: OK, I did—I did say it.

DAVID SHEARER (Leader of the Opposition): Today we see the Government trying to do a patch-up job on an intelligence network, on intelligence agencies that have some very serious shortfalls. I would put it to you that it is too important to simply apply a band-aid to save face for the Prime Minister. This is about our national security. It is about our human rights. It is about Kiwis' confidence in the integrity of our intelligence agencies, in agencies that we need. We need them to function according to

the security demands that we have on us, but also according to the protection of our privacy and our human rights. That is why we have been calling from the very beginning of the debacle around the intelligence agencies for a wide, independent inquiry right across our entire intelligence network, not just about the internal workings of the Government Communications Security Bureau, because it is the right thing to do. We need to do this properly, we need to do it once, and we need to get it right, because we cannot go on as we are.

I want for the House to reflect just exactly why we are debating this issue in the Government Communications Security Bureau and Related Legislation Amendment Bill today. We are debating this issue because we have had a train wreck over the last few months around our intelligence agencies, which has severely undermined the confidence that the public has in those agencies. On 20 January last year the police, with the Federal Bureau of Investigation, raided the home of Kim Dotcom, after the Government Communications Security Bureau had been spying on him for more than a month. The very next month, in February 2012, questions were raised with the Government Communications Security Bureau by other agencies about the lawfulness of that surveillance, because Kim Dotcom was a New Zealand resident. It concluded, strangely enough, that its actions were lawful. In May the directors of the Government Communications Security Bureau, the New Zealand Security Intelligence Service, and the Inspector-General of Intelligence and Security all knew there were legal issues with the bureau's spying on New Zealanders, and not just in Kim Dotcom's case. In July it told John Key about the possibility that New Zealanders were being spied on unlawfully, and he did nothing.

The next month the Government Communications Security Bureau director went to see Bill English and asked him to sign a ministerial certificate suppressing the details of the agency's involvement in spying on Kim Dotcom—suppressing the details, and keeping out of any public scrutiny the fact that it had screwed up. John Key claims he was not told about any of the purported illegal spying until 17 September, when he was told that the Government Communications Security Bureau had acted unlawfully. He did not admit at that point that the broader concerns about illegal spying on New Zealanders had, in fact, been raised with him 2 months earlier, and he had done nothing in order to suppress that possibility of that spying being illegal. I have not even mentioned the fact that in the midst of all this John Key shoulder-taps a friend of his to become the head of the Government Communications Security Bureau. All of that contributes to an overwhelming lack of confidence in our intelligence agencies by the public at large.

Now, in the heat of all of that political fallout over this debacle, what the Government is trying to do is to rush through legislation in hindsight to make these activities legal into the future. That is not what is needed. What we need is a full and independent inquiry, an inquiry that obtains terms of reference from right across Parliament, and an inquiry that can be agreed upon. I believe that is entirely possible. We need an inquiry of the ilk that is being done in Australia. In Australia they conducted an inquiry in 2003, an independent inquiry that looked at all of its intelligence agencies, and did it again just 2 years later. Australia is not afraid of being able to look at its intelligence agencies in total. We should not be afraid of doing that either.

This fully independent inquiry will look right across the agencies. It will look at all of their functions and all of their accountabilities. We accept, I certainly accept, that some of the findings that could come from that inquiry may well be similar to the conclusions that appear in this legislation—completely accept that. But we know it will be part of a much broader analysis. We need this inquiry because, in addition to the

debacle that we have seen over the last few months around the Government Communications Security Bureau, we know that the New Zealand Security Intelligence Service wants to expand its role and has got legislation. We have not seen that yet, but we know that legislation is written and has been put to one side at the moment to be introduced at some later date, no doubt. We know that there has been no independent inquiry since the 1970s in this country. There have been massive changes in technology, and I completely agree with the Prime Minister, who says that there are threats to our cyber-security. Absolutely—I completely accept that. But we need to be going about this in a way that makes sure that we have the best possible set-up and structure to enable those threats to be dealt with and with the correct ability to provide oversight.

One of the things that some of this legislation deals with is the Intelligence and Security Committee, the parliamentary oversight of these intelligence agencies. I can tell you that the ability of that parliamentary committee to provide oversight is woeful—it is woeful. I want to give you two examples. First, we are not permitted to speak about what we discuss in these meetings, but I can tell you that at the last meeting that we had to look at some of the legislation that was coming forward, the briefing that we got was well below the level that the press gallery received a few hours later the following morning, together with an 8-page briefing statement that we did not get a chance to have a look at. Why do we have a committee that is given less briefing than what the parliamentary gallery will be able to receive about something as important as this legislation? The second example: when the legislation was announced at a press conference by the Prime Minister earlier this week I got a copy of the legislation 2 minutes—2 minutes—before that press conference. I am a member of that committee and I got it 2 minutes before. So if this committee is going to be treated with that sort of approach, I think that this legislation does not go anywhere far enough in terms of being able to satisfy public opinion that scrutiny is adequate and able to give the public the confidence that these agencies are operating effectively.

Then there is the question of urgency around this legislation. We need to rush this through because—why? Because we are led to believe that there are somehow threats around New Zealand. Again, I believe the Prime Minister is playing politics. If it was so urgent, why did we not rush it through last year? This is now May. Either the Government is not taking those threats seriously, which it says it is, or there is actually no real problem, and, therefore, we do not need to rush it through today. In fact, we could have had an independent inquiry that had the buy-in of the entire Parliament last year. We could have had the buy-in of the entire Parliament, we could have had terms of reference that were agreed to by the Parliament, and we could have had that inquiry reporting back to Parliament in a way that gave New Zealand real confidence.

We oppose the legislation because it is a band-aid. It is an ad hoc approach, it is way too mired in politics, and it is an attempt to get the Government out of a hole. It is not durable, it is not lasting, and it is not going to go as far as it needs to go in terms of satisfying the public that they can have real confidence in our intelligence agencies. We need to balance our national security, both our physical and economic security, with our right to privacy and civil liberties. If the Government was to establish such an inquiry that would enable us to satisfy both those competing objectives, we would cooperate with that, we would work with it, and we would work to bring forward to this Parliament legislation that would be able to give the public the confidence that our agencies not only are up to date but have the scrutiny and the correct accountability that we need.

The ASSISTANT SPEAKER (H V Ross Robertson): I understand that the Minister of Justice wishes to correct her statement to the House.

Hon JUDITH COLLINS (Minister of Justice): Thank you, Mr Assistant Speaker.

The ASSISTANT SPEAKER (H V Ross Robertson): Is it a personal explanation or a point of order?

Hon JUDITH COLLINS: I think it is probably a point of order.

The ASSISTANT SPEAKER (H V Ross Robertson): All right, a point of order.

Hon JUDITH COLLINS: I think it is a point of order. I am sure you will tell me if I am wrong, Mr Assistant Speaker. At the end of my speech on the first reading you asked whether or not I had nominated the committee. I thought we had, and other members thought we had. I think there is some doubt about that. In fact, I meant to and I do nominate that the committee is the Intelligence and Security Committee. Mr Assistant Speaker, I am sorry that I gave you the wrong information.

The ASSISTANT SPEAKER (H V Ross Robertson): Thank you.

Hon SIMON BRIDGES (Minister of Energy and Resources): It is a privilege to speak on this important bill, the Government Communications Security Bureau and Related Legislation Amendment Bill, where we are acting responsibly as a Government in the interests of New Zealand and New Zealanders.

This omnibus bill is about New Zealand's intelligence community, which is of course critical for our national security as New Zealanders. As the Minister of Justice has said, this bill effectively has three objectives: to provide a clear and consistent legal framework, which is fundamental in an area such as this; to update the Government Communications Security Bureau's legal framework, again fundamental as we live in a fast-moving and fast-paced world; and, thirdly, to strengthen the oversight regime that applies to our intelligence agencies, which of course is important in a country such as New Zealand, where we abide by the rule of law.

The history of this bill is reasonably well known: a compliance review of the Government Communications Security Bureau by Rebecca Kitteridge, a review of the Government Communications Security Bureau Act 2003, and a review of the oversight mechanisms that apply to our intelligence community. We are also addressing recommendations that have been made by the Law Commission regarding intelligence agencies and privacy law.

The Government Communications Security Bureau has an absolutely pivotal role to play in protecting our security as New Zealanders. Its operations are highly sensitive and its work cannot be talked about in detail because of a need to protect its capabilities and areas of focus. This means that its successes can rarely, if ever, be publicly discussed. But we are in no doubt, on this side of the House, that the Government Communications Security Bureau has, along with its other intelligence community colleagues, made an important—indeed, a very important—contribution to our national security over the years.

We cannot have, in New Zealand, an unclear legal framework that leaves room for interpretation and debate. That would not be just not good enough; it would be entirely wrong. Therefore, I started this speech by saying that through this bill we are doing, I think, the responsible thing as a Parliament in moving to clarify the law. This bill will make our regime clear and fit for purpose, and will allow the Government Communications Security Bureau to get on with the important job of protecting New Zealand and New Zealanders.

GRANT ROBERTSON (Deputy Leader—Labour): I rise to oppose this bill, the Government Communications Security Bureau and Related Legislation Amendment Bill. I think the speech we have just heard from Simon Bridges gives us some insight into what the problem is here. He spoke for, what, 3 or 4 minutes about legislation that he himself tells us is significant and important, and covering a significant and important agency, and he cannot even be bothered filling up his time to talk about that.

This is, as David Shearer has said, a band-aid solution. There are significant issues at play here for our security, for our human rights, and for privacy, and this Government thinks that it can sweep all of the problems—the debacle that has taken place over Kim Dotcom and the Government Communications Security Bureau’s behaviour—under the carpet with this piece of legislation. That is simply not good enough.

We do need a full inquiry. We need that inquiry because this is not about just the Government Communications Security Bureau; this is about all of the intelligence agencies that work in New Zealand. We know that the SIS legislation had been drafted. We know that there were to be changes to the way that the SIS operates. Since the Government Communications Security Bureau Act 2003 was passed, the Organised and Financial Crime Agency of New Zealand has come into existence, the Police’s organised crime agency. We know that the Directorate of Defence Intelligence and Security now apparently wants the Government Communications Security Bureau working with it as well. There is an interconnected group of intelligence agencies, and for the Prime Minister to come down to this House and put in place a piece of legislation that sticks a band-aid over a problem that he does not want New Zealanders to focus on in the Government Communications Security Bureau, and say that this is the answer to everything, is simply wrong and unacceptable.

It is not just the Labour Party that is saying this. I want to quote from John Armstrong’s column in the *New Zealand Herald* from Thursday, 11 April. This is what he said: “A full inquiry is needed because formally allowing the GCSB some room to function in a domestic context is potentially a huge foot in the door in that arena whatever conditions or provisos are put on such change.” He calls it “No8 fencing wire sort of stuff”, and that is not good enough when we are talking about an agency with the intrusive powers of the Government Communications Security Bureau.

Doing this, enlarging the functions in this way—and it is simply not credible for Judith Collins and Simon Bridges to tell us that there is no enlarging of the function here; there quite clearly is. Whether or not that is justified, given the changes in terms of cyber-security, given the different agencies that now operate in New Zealand, we simply do not know today. That is why we need that formal inquiry.

But it is quite clear, when we look into the detail of the language in this bill, that the assistance that the Government Communications Security Bureau is now going to be able to provide agencies is “in their lawful functions”. It has not got anything necessarily to do with national security; it just says “in their lawful functions”. What does that mean? What greater powers does that give? Are we moving here away from information assurance into some other kind of area? What priorities are going to be put on the Government Communications Security Bureau? We cannot answer any of these questions, because we simply do not have enough information about the way that these agencies interact with each other.

But the scale of the change here justifies far more than a band-aid solution. This goes beyond clarifying the law. It goes into how this agency operates. It is very important that people understand what the distinction is between the Government Communications Security Bureau and—let us take one of the other agencies—the SIS. That distinction is that the bureau operates as part of an international network. The assurance, I think, that many New Zealanders would want is if the bureau is going to be given powers to work with other agencies, what assurance New Zealanders have that that information is not being passed overseas. The very nature of the expertise that the bureau is bringing to the table is its connection with international agencies.

So here we have a fundamental change to the premise of the difference between, in this case, the Government Communications Security Bureau and the SIS. That is not a minor clarification; that is a fundamental change in the way the agency works. Just

putting a bill before Parliament and saying “This is just to clarify what we’re already doing.” is not good enough when it comes to addressing the differences and the distinctions between those two agencies. As David Shearer has said, there may well, at the end of an inquiry, be a need to change this legislation to take account of new technology and to take account of new threats, but it is not good enough to bring this in and not have the discussion about that as part of a wider and fuller inquiry.

When I obtained the documents from the court about the Kim Dotcom case, one of the things that struck me about the documents that came from the Government Communications Security Bureau as part of those court documents was the classifications on top of each page of those documents. Having worked in the Ministry of Foreign Affairs and Trade, I am used to the various titles and names, but there were some that I did not recognise, and on further investigation they were classifications that indicated that this material was going to be shared with international agencies. We have been told publicly by various people with the bureau that this material would not be shared, but that information—those designations on those documents—indicates that it is routine for Government Communications Security Bureau information to be shared internationally. What assurances do New Zealanders have that under this legislation, if the bureau is working with those other agencies, that information will not be shared overseas?

It seems to me that the fundamental purpose of the Government in bringing this legislation to the House is to sweep under the carpet John Key’s role in the Kim Dotcom affair, because for all of Rebecca Kitteridge’s report into what was going wrong at the Government Communications Security Bureau, the one thing she was not allowed to investigate was the Kim Dotcom case. The one thing that actually started all of this off, the Kim Dotcom case, she could not investigate. That is because the Prime Minister does not want New Zealanders to know about his role in that affair. We have managed over months and months to drag out information from the Prime Minister, and we now know that as early as July last year he was aware of unlawful spying, and he did nothing. He did nothing about that. In May the Inspector-General of Intelligence and Security raised concerns about this, and the Government Communications Security Bureau, we are asked to believe, did nothing about that until it talked to the Prime Minister in July. What we do know is that in February 2012 the bureau knew that its spying on Kim Dotcom had been unlawful.

Where was the Prime Minister in all of it? There is a lot of talk in this legislation about oversight and the importance of oversight. We have seen the most lax oversight of this agency by John Key, the Minister responsible for the GCSB, and that is why he does not want us to look into that. We cannot have a proper conversation about changes to the Government Communications Security Bureau Act without knowing exactly what went on in the Kim Dotcom case. David Shearer has already mentioned the fact that Australia has had such an inquiry, and one of the outcomes of that inquiry was greater parliamentary oversight. I strongly believe that we do need that.

There are some things in this bill that are useful around the oversight. The expansion of the Inspector-General’s office to have a Deputy Inspector-General—that is a good thing. We need to look at the clauses around how that person is appointed, but I think widening the pool beyond a retired judge is a good thing as well. But what about that parliamentary oversight? In our democracy we need to have confidence in institutions and agencies such as the Government Communications Security Bureau. Public confidence in our intelligence agencies is at rock bottom, and putting up band-aid legislation simply is not going to satisfy that.

I am going to appeal now to the parties in this House that could stop this legislation and give us the full inquiry that we need. I want to quote something that Peter Dunne

said in October last year, because I believe that he is actually right in what he said. He said, when talking about the intelligence agencies, “I ... believe very strongly that when exercising their responsibilities the agencies of the state must at all times act within the law they are pledged to uphold. In a free state, it cannot logically be otherwise.” He finished by saying: “Free societies operate on the basis of mutual consent. We respect the authority of the state because we believe it to be exercised in our best interests. When confidence in our institutions is diminished by their own actions, the cohesion of our society is eroded. That erosion and where it might lead is what has me feeling uncomfortable right now.” That is what Peter Dunne said last year.

This legislation cannot get rid of the discomfort that he feels, because all it is doing is putting a band-aid over the problems that he himself identified. I am calling on Mr Dunne and others to oppose this legislation, because New Zealanders deserve a full inquiry into our intelligence agencies to restore confidence in them and to create around them the legal and oversight framework that can balance together issues of national security, freedoms, and privacy. That is the only responsible course to take. This bill does not take that course.

Dr RUSSEL NORMAN (Co-Leader—Green): I rise to speak on behalf of the Green Party about the Government Communications Security Bureau and Related Legislation Amendment Bill. It strikes me always as strange that it is the parties of the right that want to restrict our freedom. Time and again what we find is that the parties of the right want to intrude into our lives. They want to listen to our phone calls, they want to read our emails, and they want to know what we are looking at on the internet. And here we have in front of us yet another bill from the parties of the right—the National Party and the ACT Party, supported, I guess, by Peter Dunne, but I hope he changes his mind—to restrict our freedom and breach our privacy.

Let us remember what this bill does. This bill gives the Prime Minister and the Government Communications Security Bureau greater powers to break into our houses, to put bugs into our houses. It gives it greater power to listen to our phone calls without a warrant. It gives it greater power to look at our emails without a warrant—it does not need a warrant. It gives it greater power to monitor every activity that we do every second of every day. That is what a surveillance State is about. It is striking that it is always parties of the right that support the surveillance State, that oppose freedom, and that try to breach our privacy year after year after year, and here we have another example of it.

The tragedy of it on this occasion is that in the past the attempts to, basically, undermine our freedom have been justified by the war on terror, or whatever, and, of course, there was the “Red Terror” before that. On this occasion the justification for the expansion of the powers of the bureau to spy on us even more is in order to cover up the Prime Minister’s embarrassment. That is the tragedy of this particular piece of legislation. What stands behind it is the fact that the Prime Minister is embarrassed, as the responsible Minister who was supposed to be keeping the Government Communications Security Bureau acting lawfully and failed. This bill, to allow the spy agencies to intrude further into our lives—its sole purpose, really, or its main purpose, driven politically, is to cover up the political embarrassment of the Prime Minister, and that is a tragedy.

Why is it that the parties of the right always support further intrusion into our freedom and our privacy? I would argue it is because they think that they are never going to be the target of it. They think: “Oh, we’re conservatives. The security institutions don’t target us. They’ll target those lefties, those greenies, those radicals—they’re not going to target us. So we don’t care that we give more power to the Government Communications Security Bureau to break into our houses and listen to our

phone calls, because we're not going to be the target of it.", and maybe they are right. I mean, if you look at the history of the SIS, it was found that it was spying on Aziz Choudry, an anti - free trade activist. The SIS persecuted Ahmed Zaoui because he was a democracy activist in Algeria and had upset the Algerian regime. We know that in the Kim Dotcom case the Government Communications Security Bureau was acting on behalf of the US Government. The Obama administration, of course, is highly dependent on donations from Hollywood. Hollywood is very upset with Kim Dotcom and when Hollywood said: "Jump.", the Obama administration jumped; when Obama jumped, then the Government Communications Security Bureau jumped, because the bureau is part of the "Five Eyes" network.

So we know that the targets for the security agencies tend to be groups of people whom parties of the right figure they are never going to be part of: lefties, progressives, greenies. So what would they care if they breached the freedom and the democratic rights and civil liberties of ordinary New Zealanders? Of course, those ordinary New Zealanders whose freedom and civil liberties the parties of the right like the National Party are happy to breach are people like anti-apartheid activists. Of course, we have a Prime Minister who cannot remember whether he was opposed to apartheid or not, but those people who were opposed to apartheid—of course, the National Party was not opposed to apartheid; the Prime Minister just cannot remember whether he was or he was not opposed to apartheid—were the targets of the security agencies. Those people who campaigned against apartheid were the very targets of the SIS and the Government Communications Security Bureau, and those are the people who in the future, given these new powers of the bureau, will once again be the target of these agencies.

It is very difficult for us to know what the agencies do. Only very rarely does it become clear what they are up to. The Aziz Choudry case is an exception and the Ahmed Zaoui case is an exception, as is the Kim Dotcom case. Mostly, we do not know what they do, because they operate in secrecy. But when it is revealed what they do, what we find is that their targets are progressives. That is whom they have targeted historically, and this is a bill to give them more power.

Mr Shearer from the Labour Party made a very valid case for having an independent inquiry. I believe that not only do we need an inquiry into the illegal activities of the Government Communications Security Bureau—an independent inquiry, of which there has been none—but we need an inquiry as to what is the role of the security agencies. Remember, these were established during the Cold War. They kind of ran out of steam after the Cold War ended, and then they used the war on terror as a justification for what they were doing, and now they are trying to find new justifications, and cyber-attacks are part of it. There is no doubt that cyber-attacks are real—no question about it. The question is this: what should be the role of these kinds of agencies in a free and democratic society, given that they involve fundamental intrusions into our freedom and civil liberties? That is why we need an independent inquiry that is broader than just the Kim Dotcom case and that goes into the role of the agencies themselves. If they are to exist, then we need to know why they exist. We need to know what kinds of limitations on our freedom and democracy we are willing to withstand or put up with by the very existence of these agencies.

I think this thing goes to the issue of oversight. What we know is that in other jurisdictions there is some kind of parliamentary oversight of these agencies. There is no parliamentary oversight of these agencies here. The sole democratic oversight is John Key. John Key, as we have seen, has forgotten his role, amongst many other things. He has forgotten that his job is to protect our freedom and democracy from the intelligence agencies, and he has not performed that function. In other jurisdictions there is democratic oversight. When I have spoken to people who have been involved in the

intelligence community over the years, what they have said is: “The thing we’ve always feared in a United States framework was that the congressional committee would pull us up and we would be forced to give testimony to the congressional intelligence committee about what we’d done, and if we’d broken the law we’d be put in jail.”

There is no parliamentary capacity in the New Zealand system for the Intelligence and Security Committee to force any of the agencies to give testimony. They do not have to say a word to us. We have no ability to force them to tell us what they are doing. I am a member of the Intelligence and Security Committee. We have no capacity to force the intelligence agencies to tell us whether they are acting lawfully or not. We have no capacity to force an intelligence officer to appear in front of the committee and tell us what they are doing. We have no capacity to inquire into it.

If you think about it, the Intelligence and Security Committee is going to have to consider this legislation. It would be a bit like if the Social Services Committee had to consider legislation about Work and Income but it was not allowed to ask any questions about how Work and Income operates; it was not allowed to ask how the unemployment benefit is administered, or any of the other benefit systems; and it had to decide whether the legislation was good legislation or bad legislation, without knowing or being allowed to ask a single thing about how Work and Income operates.

The Intelligence and Security Committee that considers this legislation will have to make a decision about whether it supports the legislation or not, without ever being allowed to ask a single question about how the intelligence community actually works in New Zealand. Under the statute under which it is established, we do not have the right to do that. That is the level, the woeful level, of parliamentary oversight of the intelligence and security services in New Zealand. Is it any wonder that these agencies, which have been living under a stone for three or four decades with no public scrutiny, no sunlight ever exposed to them, went dysfunctional? Are any of us really surprised that a group of a few hundred people who never, never had any oversight became dysfunctional? The Inspector-General of Intelligence and Security was a joke. There was never any oversight of what they did. They lived under a rock and they did what they liked. So at the end of it we found they were highly dysfunctional. That is what the Kitteridge report showed. Just in purely bureaucratic efficiency terms they were highly dysfunctional. We found they were operating unlawfully. Is anyone surprised, when there is no proper oversight of these agencies?

This bill does not put in place proper oversight of these agencies. There is still no democratic oversight. The Inspector-General of Intelligence and Security should be an Officer of Parliament. The Inspector-General of Intelligence and Security should report to Parliament as the Auditor-General does, or the Parliamentary Commissioner for the Environment does, or the Ombudsman does. That should be the role of oversight. The Intelligence and Security Committee should be a committee of Parliament that has the right to require the intelligence agencies to appear before it and the right to force information out of them. We do not have that right.

So in the absence of an independent inquiry, in the absence of any parliamentary oversight, and given the record of the intelligence communities to target progressive activists, it is obscene that the parties of the right once again want to restrict our freedoms, want to breach our privacy, want to break into our houses, and want to give these intelligence agencies all these expanded powers. We cannot support this bill.

JONATHAN YOUNG (National—New Plymouth): I am very pleased to stand and speak on the Government Communications Security Bureau and Related Legislation Amendment Bill. Thank you for your attention, and for the remarks of the previous speaker, Russel Norman, who I am sure would be a great author of a conspiracy novel, because that is what his speech sounded like.

We need to understand that the safety and security of this nation is dependent upon organisations such as this, and we need to understand that they must have a strong, clear legal framework in which they operate. New Zealanders expect that. New Zealanders expect this Government to provide security and safety to its citizens, and it is important that we have agencies that can assist and do this in a way that is appropriate.

The Government Communications Security Bureau Act 2003 sought to codify and make transparent existing practices of the then Government Communications Security Bureau. But under scrutiny, the 10-year-old Act potentially limits the bureau's ability to provide the support and advice that successive Governments expect and have expected, and possibly limits current support and advice that can be provided. So it is important and it is the responsible thing for this Government to do to move to clarify the Act. This bill will make the Government Communications Security Bureau Act clearer and more transparent so it is clear what the agency can and cannot do.

The functions and resourcing of the Inspector-General of Intelligence and Security, of his office, will be increased and improved. It will increase capability and enable the office to have increased scrutiny over the operations of this agency.

The Government Communications Security Bureau has a crucial role to play in protecting the security, safety, and best interests of New Zealand and New Zealanders. It is for this reason that this bill, after the compliance review by Rebecca Kitteridge, is progressing in order to bring those improvements, to bring the improvements of oversight mechanisms that apply to our intelligence community. I am very happy to support the progression of this bill in the House. Thank you.

Rt Hon WINSTON PETERS (Leader—NZ First): I think the background to this legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill, is well known by most New Zealanders. It is a shameful background of neglect, of cover-up, and of failure to answer parliamentary questions, or a failure to front up to the media and tell people what happened and what went wrong.

We are charged as a political party with writing a law that hopefully the mass majority of members of Parliament can support, in the interests of the national security and safety of New Zealanders in our role as participants in seeking to obtain a safer world internationally. The outcome New Zealand First seeks, therefore, is to create an effective watchdog that does not bite the people it seeks to protect. New Zealand First seeks specific safeguards in the legislation to ensure that the Government Communications Security Bureau does not operate outside the law. We have set these out: first, "Each surveillance to be authorised by warrant by the responsible Minister"; second, "The warrant to comply with specified criteria to identify the potential security risk"; third, "The method of surveillance and the time frame of the operation"; and, perhaps as important, every warrant from the time of its issue is to be made available to a group in which the country can have total trust and confidence so that it can review within 3 weeks that warrant—that is, a review by an independent authority selected from the judiciary, the Defence Force, and the police.

We have written to the Prime Minister setting out the circumstances in which we as a party would seek to pass a law, not for political reasons but for reasons that I believe and we believe are the responsibility of any member of Parliament. New Zealand First's position on matters of security is clear and unambiguous.

The first duty of any Government is to ensure the safety and protection of its people. We therefore must live in the real world. We cannot put our heads in the sand in a world of extremists and terrorists, and for one, the party that I belong to, New Zealand First, and my caucus colleagues are not going to be standing by so that one day there is mayhem and murder and extremist actions in this country and people point a finger at us and say: "But what did you seek to do about it?"

In short, we understand the real world, and parts of the real world are a very evil place. To ignore the threats posed by such groups would be irresponsible. Recent events graphically illustrate that terrorism can be home-grown, and it also does not respect international borders. New Zealanders, as we know, enjoy civil liberties that are not universally shared. These are precious, and men and women have in the past fought and died for them. As a nation we have always jealously guarded our freedoms, and view with suspicion any moves by the State to impose any sort of “Big Brother is watching” scenario. The outcome New Zealand First seeks, therefore, is to create an effective watchdog that does not offend or bite the people it seeks to protect.

We have specific areas of the legislation we believe need addressing. For example, new section 8A in clause 6 of this bill refers to “any other entity authorised by the Minister,”. That is far too wide and should be limited to those entities with accountable authority and specified in the legislation. New section 8A(c)(ii) refers to “any person or office holder”. That is far too wide, is far too open to abuse, and is not susceptible to transparency and accountability. New section 8B(1)(c)(ii) refers to “any person or office holder”. Again this is too wide. New section 8B(2), in clause 6, refers to “any public authority ... and any other entity”. These are phrases that are far too wide, and they would have appeared, surely, to the drafters as obviously not capable of being supported by responsible members of Parliament. New section 8C(1)(d), in clause 6, refers to “any department”. This should include a schedule of departments. The subsection is not clear. New section 25(3)(d), in clause 24, refers to “any other person that the Director thinks fit”. Where on earth would they have got such a catch-all, carry-all, include-all phrase if they seriously wanted members of Parliament to support this?

Although New Zealand First agrees with the necessity to gather information and to share it with appropriate authorities, we believe there needs to be far clearer definition about this and also serious general oversight. We have suggested an independent committee to oversee the Government Communications Security Bureau’s information-gathering activities. Where New Zealand citizens or residents are involved, we want this committee to be informed when a warrant is authorised, and the same committee must be given the power to review the situation within a period of 3 weeks. That is proper oversight. This provides a measure of safeguard to avoid unfounded fishing trips on New Zealanders.

The Government Communications Security Bureau is an important agency. I can tell from the correspondence and communications that a number of people are suspicious of this. Let me ask them what they would have done in circumstances in which terrorism could have been discovered before it happened. When were they going to take responsibility, or whom did they trust to take responsibility for that? We are not asking people to sign up to spying on our fellow citizens. But there are some people in our society, as in a lot of societies—take the serious drug-trafficking in this country and on the borders of this country, which is surely a case in point—who simply cannot be trusted. Their whole record shouts that, and we know it.

The bureau must operate professionally to meet the challenges faced by New Zealand and our allies. New Zealand First has said—and we have written to the Prime Minister today—that we will assist the Government to meet these goals so long as our concerns are addressed in this legislation, because we will not support the idea of rubber-stamping the bill as it stands.

I have heard some of the previous speakers from the Government side. Frankly, with respect, I do not think they know what they are talking about. I have been a Minister who twice in my career signed out on countless authorities or warrants because I had to, but I was seriously concerned at the time about the safeguards where there may have been some impact on New Zealanders.

Hon Trevor Mallard: He was no rubber stamp.

Rt Hon WINSTON PETERS: No, I did not rubber-stamp them. That is a fact.

Hon Trevor Mallard: Read them, unlike Bill English.

Rt Hon WINSTON PETERS: I most certainly read them. But here is the point: we had a Prime Minister who, according to the head of the Government Communications Security Bureau at the time, Mr Ferguson, paid no attention at all to this most serious of all obligations. We consider that the Government should seek as wide a degree of cross-party support for this bill as possible. In short, this legislation surely has to be supported by enough of Parliament to ensure that it survives the next election, the one after that, and the one after that, if it is going to have any serious meaning in terms of the security of this country. That being the case, and because we have written to the Prime Minister, and the Government has preferred under urgency to press this bill, deficient as it is, at this point in time we oppose this legislation.

JAMI-LEE ROSS (National—Botany): This House is considering the Government Communications Security Bureau and Related Legislation Amendment Bill because it is important that we take security threats seriously and we ensure that the legislation under which agencies such as the Government Communications Security Bureau operate is sound, is robust, and is fit for purpose. There are some important changes in the bill that I suggest to the House should be supported by the whole Parliament.

I heard some comments from Mr Robertson and Mr Norman. Mr Robertson spent a lot of time talking about what New Zealanders deserve. I think New Zealanders deserve a Parliament that takes security matters seriously. We live in a changing security environment where threats are increasingly interconnected around the world. Globalisation means that New Zealand is not safe from threats. We need to have an agency there that is looking after us. Mr Robertson does not believe legislation like this, which improves the framework under which the bureau operates, is important. I think New Zealanders deserve to have changes made to the Government Communications Security Bureau Act so that they can have greater confidence in the bureau and so that they can have a bureau that has greater oversight by the Inspector-General of Intelligence and Security, and an inspector-general who has greater resources to provide that oversight. That is what New Zealanders deserve.

New Zealanders deserve to have a Parliament that takes seriously the review undertaken by Rebecca Kitteridge. Rebecca Kitteridge made some important recommendations and highlighted some difficulties with interpreting the Government Communications Security Bureau Act. What was the bureau doing when the difficulties she highlighted were pointed out? The bureau was simply assisting other agencies carrying out their work.

Mr Norman talked about the parties of the right trying to clamp down on freedom. In fact, with this legislation, the parties of the right are providing greater oversight, greater transparency, and a clearer authority for the Government Communications Security Bureau to assist other agencies to do important work on behalf of New Zealanders. This bill will improve the bureau and other similar agencies that it interacts with, and it should be supported by this Parliament.

Hon PHIL GOFF (Labour—Mt Roskill): I agree with one thing at least that Jami-Lee Ross, the member who has just resumed his seat, said. This Parliament needs to take security agencies seriously. If only the Government would do so. We have seen a debacle, a farce, surrounding the Kim Dotcom affair. The Prime Minister cannot even remember whether he was briefed on Kim Dotcom. He did not know Kim Dotcom. He did not know about the guy—the biggest guy in his electorate, who had the largest mansion in his electorate, and he had never heard of him. He had never been briefed by the Government Communications Security Bureau. But he had been.

There was the appointment process of the director. The Prime Minister thought he could ring up a mate and say “How would you like this job? There won’t be any competition. You’ll be the only interviewee.” and get away with it. He thought he could get away with not telling this House the full truth. The Prime Minister never admitted that he had breakfast with him on a number of occasions, never admitted that he was a good mate of his, and went about it in a way that the State Services Commissioner himself said was flawed. He used *Yes, Minister* language but what he was really saying was that the Prime Minister broke the protocols—did it wrong. If anybody has undermined the confidence of New Zealanders in our security agencies, it is John Key, who is meant to be the Minister responsible for the security agencies and is meant to exercise the oversight, but time and again has failed to do so.

I am one in this House who believes that the security agencies do need reform. They need reform in regard to their powers, so that they are 21st century powers and they are appropriate to the work they need to do. But, just as important, they need reform around the oversight of how these agencies, which act in secret—act outside the public oversight—can be checked and how it can be made sure that they are acting under the law and that they are acting properly. To do that, you need proper legislation.

We also need legislation moved through this House in a way that would restore public confidence in the security agencies. TV3 ran a poll the other day. What did it show? A massive 40 percent of New Zealanders have no confidence in, do not trust, the Government Communications Security Bureau. You cannot operate in a democracy with security agencies that so lack the confidence of the public, whose needs they are meant to be serving. That is an indictment on the bureau. It is an indictment on how the Government has handled this matter.

If we do not get this legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill, right and if we do not do it in the right way—build consensus, because you need consensus across the House on how these agencies should be run—we will end up with the bureau damaged in the same way that the SIS was way back in the 1960s. You will remember the case where the SIS agent left his briefcase on the street in Wellington. It may have had secret documents in it, but more attention was given to the copy of *Penthouse* and the cold pie that he had in it. That made the SIS a laughing stock. We cannot afford for our security agencies to be a laughing stock. Unless we do this well, the Government Communications Security Bureau will be, just as the SIS was, a laughing stock that lacks public confidence.

What I am saying to you is that if you are going to do this well, you do not do it in an ad hoc way; you do it comprehensively. We know that this House is expecting another piece of legislation, which the Government has tucked away in the wings, on the SIS—so a separate piece of legislation on the SIS—and this legislation, rushed into the House under urgency today, on the Government Communications Security Bureau. Who is going to have confidence in the outcome of legislation that is done in an ad hoc way? Who is going to have confidence in legislation unless there is a full and public inquiry into how our agencies are operating, what powers they need, and what safeguards there need to be?

Better than most people in this House, I have an understanding of how our security agencies work. As a foreign affairs and trade Minister and as a defence Minister, I worked with those agencies for 9 years. But I think the time has come to fully, comprehensively, and coherently reform those agencies. I do not think they do the job that we need them to do, I do not think they do it thoroughly and competently enough, and I do not think that the powers of oversight over how they carry out their functions are done properly.

The reason we have got this legislation is not that there are terrorist groups lurking in the wings. You can never rule out that you do not have nutcases like the Boston bombers who can operate in a country, but that is not, I think, something that is actually such a risk to New Zealand that we need to rush legislation through in an ad hoc way. I think there are more important questions to ask about cyber-security, about commercial interests and State interests outside of New Zealand that would like to break into our IT networks and use that information. Maybe the Government should be asking itself some questions about why, unlike Australia and the United States, it has accepted Huawei into New Zealand, when that in itself is regarded by two of the countries we work closely with as being a security risk. The Government will not talk about that, but that might be what it actually needs to be focusing on.

You know, we have this legislation to distract the public from the embarrassment that John Key feels about the debacle of the Kim Dotcom affair. The police went into that mansion with a combination of Rambo and the Keystone cops—total overkill, unnecessary. That was bad enough. What was worse, according to Justice Winkelmann, is that they went in without a valid warrant to search the place or to break into the place, and that makes us as New Zealanders, and as taxpayers, liable possibly to tens of millions of dollars in damages if that is the way it goes. So we certainly need an inquiry into the Kim Dotcom case.

We need to know why—when they acted illegally, when the advice of Crown Law was inadequate, when the Ministry of Justice did not get it right, when the police did not get it right, and when the Government Communications Security Bureau did not get it right—Bill English suppressed information that revealed those facts. Why did he cover it up? Is it credible that John Key, who is the Minister in charge of the security agencies and the Prime Minister, was never told about Bill English's once-in-a-lifetime warrant to suppress public information about the Government's illegal doings? He did not brief John Key.

Hon Trevor Mallard: Who believes that?

Hon PHIL GOFF: Who believes that? I mean, either you have got a totally incompetent and disloyal deputy, or you have got a Prime Minister who is not telling the full truth. I will leave it to the public to make up their minds on that. We need a proper job to determine the powers and the oversight of the Government Communications Security Bureau. This bill does not do it, and this process is such that there will be no restoration of public confidence in those agencies.

I want to look very quickly now, in my last minute and a half, at the oversight proposals in this bill. Rebecca Kitteridge, who is a very competent woman, I think got the direction right, but she did not go far enough and this bill does not go far enough. You need an Inspector-General of Intelligence and Security who is not in a retirement position. You need an active inspector-general—more than that, you need a proactive inspector-general—and you need that person to be backed by staffing and resources so that they can ensure compliance. We need to have a strong inspector-general, and that person, if they are not to be a retired judge, needs to have the confidence of both sides of this House. So in this bill there should be legislative provision that the appointment needs the concurrence of the Opposition, just as you do for the Governor-General, because that is how important the position is.

You also need changes to be made to the Intelligence and Security Committee. I served on that committee for 3 years. It is a farce. It does not do the job, because John Key does not let it do the job. It hardly ever meets, it does not get briefed properly, and it does not give anywhere near adequate reports to this House. It is an absolute conflict of interest that the Minister in charge of the Security Intelligence Service should be the chair of the committee having oversight into the Intelligence and Security Committee.

He is the person who should be held to account. This bill says: “Oh, put the Deputy Prime Minister in or the Attorney-General.” That is not good enough. Maybe we should look at the Regulations Review Committee and, like that committee, have an Opposition member chairing the committee.

TODD McCLAY (National—Rotorua): What an angry speech from an angry man. Mr Goff is a man who comes to this Parliament after continuing to leak to the media suppressed details from a coroner’s report, a report that is still subject to a suppressions order, in an absolute disregard for legal process and the laws of this country. Then he has the audacity to come down here to this House and lecture us on what he views as being right and being wrong. You see, the problem that we have here is that Mr Goff has just questioned whether or not the Prime Minister received a briefing. What we have got to do is look at the year before last when he was Leader of the Opposition. Do you remember that he was the man who forgot he received a briefing from the SIS? And then he said he would not meet with the SIS again without somebody else there who was independent, because he forgot. So it is not just that he does not trust all intelligence services in New Zealand; it is that Mr Goff forgets sometimes but he will not own up to that.

This bill, the Government Communications Security Bureau and Related Legislation Amendment Bill, is a responsible piece of legislation on behalf of the Government and for this Parliament. It does a number of things. The first is that it looks at a service—the intelligence community—that has a vital role to play in our national security. Very clearly, the bill is to provide a clear and consistent legal framework for the Government Communications Security Bureau. It will also update the bureau’s legal framework in response to a rapidly changing security environment. And the third thing it will do is strengthen the oversight regime that applies to our intelligence agencies—something that everybody in this Parliament must surely want.

One of the challenges we have is that the Government Communications Security Bureau is arguably more important today than it has been for many a time. The reason for this is that cyber-security, and the way that security must be handled on behalf of nations around the world, has changed and continues to change rapidly. We need to continue to be able to have our services tackle a rapidly increasing threat. Very clearly, what will happen is that the Government Communications Security Bureau will continue to have three core functions: information assurance and cyber-security, foreign intelligence, and cooperation and assistance with other entities. This legislation will help Parliament look at that and make sure we are doing this work in the right way, and give the surety that New Zealanders need that the agencies are working in their best interests. I look forward to it passing through this House, and to further discussion. Thank you.

The ASSISTANT SPEAKER (Lindsay Tisch): I understand the next call is a split call.

Hon TREVOR MALLARD (Labour—Hutt South): I think I would start my point by noting the fact that the Government decided to put up Todd McClay on intelligence legislation—a contradiction in terms to start with.

I think most people are aware of the fact—although some of the new members might not be—that I have had a mixed history in this House to do with security legislation. I was arrested in the House opposing the 1977 legislation, and the core reason that I was opposing it, and why many, many New Zealanders marched on this Parliament, was because we did not think the Prime Minister of the day deserved the trust that was being given to him as part of that legislation. I think we have come full circle. I certainly trusted Jim Bolger with the legislation. Jenny Shipley I did not know well enough to know how she acted in this area. Helen Clark and David Lange certainly took this

legislation very, very seriously across security areas. But times have changed. I have no doubt that we need changes in our security legislation, not only to do with this agency but also to do with the SIS. In fact, I have been part of consultations on changes to the SIS legislation, and it just seems to me unbelievable that the Prime Minister is trying to do a patch job on this bit of the legislation, the Government Communications Security Bureau and Related Legislation Amendment Bill, without having a proper look across all of the agencies as to what needs to happen.

And I will say something else. There are considerable infringements of personal liberties that flow from this legislation—considerable. What this Parliament does when it is doing its work well is it comes together and works out what is fair and what is reasonable. I am just going to say this a little bit carefully to the people who I hope will be supporting a Labour Government later on: we do not always get everyone on board, but I think it is important, in order for legislation to be seen as reasonable, for it to be at least bipartisan. I think that that is a minimum for this sort of legislation, which infringes so badly on the liberties of individuals.

I think something else is important, and that is oversight. I want to say that there are two levels of oversight that I am worried about here. There is the oversight of the legislation—and we will get back to that later on, as to which committee it is going to go to and for what period—but there is also the question of the oversight of the agency itself. I think we should soon be at a point where we can have someone whom we trust to oversee it—someone who cares about the governance, someone who gets regular briefings on matters that are important, and someone who does not appoint his boyhood friend as a director and does not suggest to him that he should apply for the job. We want to have a group in charge of this that is going to haul the director over the coals. It is important, when so many rights are being taken away, that the individuals who are making those decisions are properly accountable, and this legislation does not get anywhere near that at all.

That is why, in my opinion, there needs to be a proper review—a proper inquiry. I would suggest that it would be a good idea to involve people from offshore as well as from New Zealand—Australia has done it twice in recent memory—to have a really good look at our mosaic of security arrangements, because I do agree with the Prime Minister that they are out of date. The legislation is out of date. I think the pattern of arrangements is out of date. The fact that it appears that our information is sent almost automatically to the United States from this organisation is out of date. It has got to change, and this legislation does not do it.

STEFFAN BROWNING (Green): I rise to speak to the Government Communications Security Bureau and Related Legislation Amendment Bill. The question has to be who makes New Zealand spying law, and whom it is for. Clearly, it is for John Key and his mates, but it is also, I suggest, for Echelon, the five-nations, USA-dominated spy agency that has its Government Communications Security Bureau arm run spy domes at Waihopai.

This week there are three different significant spy activities going on in New Zealand. The first is these new spy laws being fast tracked into Parliament instead of first having an independent inquiry into the Government Communications Security Bureau, its illegal spying on us Kiwis, and its functions. The second is the faux damages trial of the three penniless, dome-busting peace activists for \$1.2 million for their costs for popping one of the Waihopai domes while trying to interrupt New Zealand's part in the bloodshed of innocents—Government Communications Security Bureau material again. That really embarrassed New Zealand to its USA, UK, Australian, and Canadian spy mates, so today John Key has got a gift for them: this bill.

The third is very disturbing as well, I think. Today the US Attorney General, Eric Holder, is in Auckland, New Zealand, for the five-nation meeting of Attorneys-General. That is a meeting of the US Attorney General; the Aussie Attorney-General; the New Zealand Attorney-General; the England, Wales, and Northern Ireland Attorney General; and the Canadian Attorney General—the same group from Echelon. Also today they are holding a joint session with the FBI-instigated Strategic Alliance Group, comprising the same five nations' federal policing agencies: the FBI, the Australian Federal Police, the UK's Serious Organised Crime Agency, the New Zealand Police, and the Royal Canadian Mounted Police. So the five Echelon States have their Attorneys-General and policing agencies all here having a chat about, among other things, Kim Dotcom's Megaupload, and who knows what of the other 88 people illegally spied on by the Government Communications Security Bureau, which this bill intends to make legal in the future.

John Key must feel very, very smug at having a new spying law for his mates in town that can allow Echelon to spy on, effectively, anyone and have total access to all telecommunications and internet systems. A big focus will be on the USA-UK corporate masters' income protection, including their Hollywood mates, but it is a huge, huge loss for the civil liberties of Kiwis. New Zealand needs to break away from these alliances, which are set on protecting the USA-UK industrial military complex, and needs to show an independent, peace-loving example predicated on human and civil rights.

So we have John Key and his hand-picked mate, Government Communications Security Bureau Director Ian Fletcher, spying on us New Zealanders.

I will give just a little reminder of where the Government Communications Security Bureau Act came from in 2003, when MPs repeatedly commented that there was nothing to worry about, because the bill expressly stated that New Zealanders could not be spied on. But we know of at least 88 now. In 2003 Tony Ryall said: "people who have quite a bent on conspiracy theories and seem to think that all the Government Communications Security Bureau ever does is listen on New Zealanders' telephone calls, which is, of course, expressly prohibited. The bureau is not allowed to listen in on New Zealanders." Peter Dunne also said he would listen to no concerns when the 2003 bill was passed. He said: "This is a good bill. I do not accept the criticism of those who speak against it, that somehow it means that information about people will be gathered improperly,". Well, Tony Ryall and Peter Dunne showed how clear it was to Parliament when it passed that bill that the bureau was not permitted to spy on New Zealanders. The law and the intent of the law were not confusing; the bureau just did not follow it. There is no justification for the expansion of powers other than that the bureau was breaking the law. It is not needed. The law is adequate. The Greens want an inquiry. We think the bill should be pulled, and we oppose it.

TIM MACINDOE (National—Hamilton West): The Government Communications Security Bureau and Related Legislation Amendment Bill is needed. The law is inadequate, and that is exactly why we are introducing this measure this afternoon. It is naive to suggest that this bill is simply about making life easier for the Prime Minister and his mates, or whatever the exact wording was that the previous speaker, Steffan Browning, used when he was on his feet.

The fact of the matter is that this is an ever-changing world. We know just with cyber-security how rapidly things change, and, as a result, it is important that we have clarity in our legal framework. Yes, there are some extensions in powers here, but that is because they are needed. Most New Zealanders understand why we are doing this and they are supportive of it. I have great pleasure in supporting the first reading of this bill.

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

Ayes 61

New Zealand National 59; ACT New Zealand 1; United Future 1.

Noes 59

New Zealand Labour 33; Green Party 14; New Zealand First 7; Māori Party 3; Mana 1; Independent: Horan.

Bill read a first time.

The question was put that the Government Communications Security Bureau and Related Legislation Amendment Bill be referred to the Intelligence and Security Committee.

A party vote was called for on the question, *That the question be agreed to.*

Ayes 61

New Zealand National 59; ACT New Zealand 1; United Future 1.

Noes 59

New Zealand Labour 33; Green Party 14; New Zealand First 7; Māori Party 3; Mana 1; Independent: Horan.

Question agreed to.

Hon JUDITH COLLINS (Minister of Justice) on behalf of the **Minister responsible for the GCSB**: I move, *That the Government Communications Security Bureau and Related Legislation Amendment Bill be reported to the House by 26 July 2013, and that the Intelligence and Security Committee have authority to meet at any time while the House is sitting (except during oral questions), during an evening on a day on which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 188 and 191(1)(b) and (c).* The Government Communications Security Bureau and Related Legislation Amendment Bill will go to the Intelligence and Security Committee for a shortened period because the difficulties of interpretation in the Government Communications Security Bureau Act need to be resolved in a timely manner. The compliance review by Ms Rebecca Kitteridge raised issues that need to be addressed. Until legislation is clarified, the Government Communications Security Bureau remains in the situation where it has put important activities on hold. This includes the vast bulk of its assistance to other agencies like the New Zealand Police and the New Zealand Security Intelligence Service. Until the legislation is passed, the bureau's ability to help important private sector companies with the rising threat of cyber-attack is also unclear. This needs to be resolved. The public will have a chance to have its say, and rightly so, but for a reduced period of time.

GRANT ROBERTSON (Deputy Leader—Labour): I rise to oppose the motion that has been moved by the Minister of Justice. The 2-month period that is being suggested here is woefully inadequate to give members of the public the opportunity that they need to have a say on such significant legislation as the Government Communications Security Bureau and Related Legislation Amendment Bill. The Minister has just told the House that the lack of ability for the Government Communications Security Bureau to continue to assist other agencies is hamstringing it from important activities. Well, if timeliness is the issue here, we know that in at least July last year the Prime Minister knew that there were issues with unlawful spying, and then in September, according to statements the Prime Minister has made, the kinds of