

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

COMMITTEE OF PRIVILEGES

PERSON REFERRED TO IN THE SENATE

(MR A.E. HARRIS)

(23RD REPORT)

MAY 1990



MEMBERS OF THE COMMITTEE

Senator Patricia Giles (Western Australia), Chair  
Senator Barney Cooney (Victoria)  
Senator Bruce Childs (New South Wales)  
Senator John Coates (Tasmania)  
Senator the Honourable Peter Durack, Q.C. (Western  
Australia)  
Senator Janet Powell (Victoria)  
Senator Baden Teague (South Australia)

The Senate  
Parliament House  
(CANBERRA A.C.T. 2600)



## REPORT

1. On 14 February 1990 Mr A.E. Harris A.C., Chairman of Australian Airlines Limited, wrote to the President of the Senate, Senator the Hon. Kerry W. Sibraa, seeking redress under the Resolution of the Senate of 25 February 1988 relating to the protection of persons referred to in the Senate (Privilege Resolution 5). The letter referred to remarks made by Senator D.J. MacGibbon during the adjournment debate on 19 December 1989. The President, having accepted Mr Harris' letter as a submission for the purposes of the resolution, referred the letter to the Committee of Privileges (see Appendix 1).
  
2. On 27 February 1990 the Secretary wrote to Mr Harris informing him that the Committee would be unable to report on the matter until the Senate met again. The Committee met in private session on 18 April and decided, pursuant to paragraph 3 of Privilege Resolution 5, to consider the submission from Mr Harris. Following its consideration, the Committee transmitted to Mr Harris a proposed response based on his submission. Representatives of Mr Harris responded on his behalf on 7 May, the day before the opening of the new Parliament, seeking certain changes to the proposed response. The Committee, as then constituted, was unable to consider the matter further before it ceased to exist on that day.

3. Following its appointment in the new session of the Parliament, the present Committee at a meeting on 21 May again agreed to consider Mr Harris' submission under Resolution 5, and also considered the associated documents. The Committee further communicated with Mr Harris' representatives, who advised the Committee on 24 May that Mr Harris has agreed to the response as set out at paragraph 4.

4. The committee recommends

That a response by Mr A.E. Harris, in the terms specified below and agreed to by Mr Harris and the Committee, be incorporated in Hansard.

RESPONSE BY MR A.E. HARRIS A.C.  
AGREED TO BY MR HARRIS AND  
THE COMMITTEE OF PRIVILEGES  
PURSUANT TO RESOLUTION 5(7)(b) OF THE SENATE OF  
25 FEBRUARY 1988

In the adjournment debate in the Senate on December 19, 1989 (Hansard 4847), Senator MacGibbon sought to bring to the attention of the Senate what he regarded as a serious attack on the rights of Senators to perform their duties and to discharge their responsibilities. In doing so, Senator MacGibbon referred to a letter which he had received from me in my capacity as Chairman of Australian Airlines Limited and which he described as "threatening". I deny any such intention and seek leave to have incorporated in Hansard that letter. The letter read as follows:

"October 10, 1989

Senator D.J. MacGibbon  
Parliament House  
CANBERRA ACT 2600

My Dear Senator,

My attention has been drawn to remarks made by you in the Senate on October 5, 1989. Would you be kind enough to explain to me what you mean by 'but we object violently when that change (the need for change within the Civil Aviation Authority) is brought about as a result of political pressure by the Prime Minister looking after his mates, Mr. Harris and Sir Peter Abeles and the Airlines that they represent.'

The following are the facts, Senator, in respect of Australian Airlines:

1. There has been no pressure whatever placed on the Civil Aviation Authority by Australian Airlines.
2. All of the negotiations with the Pilots' Federation were carried out by the management of Australian Airlines under the direction of the Chief Executive Officer, Mr. James Strong.
3. All members of the Board were aware of the negotiations and unanimously endorsed the actions of Mr. Strong and his management team.
4. At no time during this dispute has the Prime Minister or any member of the Government given a single direction to myself, any board member or any member of the management of the Airlines.

5. The Chief Executive Officer of Australian Airlines, Mr. James Strong retired from the Airline on September 24 as had been announced by him some months ago. The Board has retained Mr. Strong as a consultant until the dispute with the pilots is resolved.

As you appear to have some particular concern as to my role in the dispute, let me spell it out for you.

As Chairman of the Airline I have, on behalf of the Board been actively involved with our management in seeking, in the initial stages of the dispute, that the negotiations with the AFAP which were most comprehensive, should reach a successful conclusion.

When the AFAP 'walked out' of those negotiations and subsequently induced their members to abandon their employment with the Airline, we have endeavoured to employ qualified competent pilots to bring the Airline back to normal operations.

We will continue in the pursuit of this objective.

I look forward to your explanation which I have sought in the opening paragraph of this letter, copy of which I am sending to members of my Board.

Yours sincerely,

A. E. Harris  
Chairman"



As is clear from the letter, it contained no threats but simply requested the Senator to explain what he meant by allegations that improper interference had taken place with the Civil Aviation Authority because of political pressure applied by the Prime Minister.

Senator MacGibbon then referred to the receipt by him of a second letter purportedly from me and said (at 4848): "I received a most threatening and intimidating letter which Mr. Harris had instructed one of his minions to write to me". That letter dated November 30, 1989, as is apparent by the text, was written at the direction of the full Board of Australian Airlines Limited under the hand of Margaret Rush, the Company Secretary and General Counsel of Australian Airlines. I played no part in the preparation or despatch of that letter.

Senator MacGibbon went on to refer to a third letter received by him purportedly from me. That letter, as again is apparent from its text, was written by the Company Secretary and General Counsel of Australian Airlines. I played no part in the preparation or despatch of the third letter which is dated December 6, 1989.

Senator MacGibbon then referred to an occasion in 1987 in which he asserted that I behaved deplorably when seeking an explanation from Senator Puplick in relation to questions directed by that Senator to an official of the Australian Sports Commission of which I was then, and still am, the Chairman. I categorically deny that I have at any time, or on that occasion, behaved other than as befits the holder of a public office seeking to properly address issues which might have been raised.

Senator MacGibbon seeks to link my position as Chairman of Australian Airlines and the Australian Sports Commission,

with the tenure of Mr. Hawke as Prime Minister. This follows on from an assertion made by him in the Senate on October 5, at 1733, and which prompted me to forward the first letter to the Senator. It should be noted that I have fulfilled a number of public positions and have been appointed to such positions by various governments.

These positions include my appointment as:

- a member of the Manufacturing Industries Advisory Council by the then Minister for Trade, Mr. McEwen, in a Liberal/Country Party Government;
- a Commissioner of the Australian Broadcasting Commission by the Whitlam Labor Government;
- a member of the Zoological Parks Board of New South Wales by the Askin Liberal Government, re-appointment by the Wran Labor Government and re-appointment by the Greiner Liberal Government as its Chairman;
- a member of the Brisbane Committee for the 1992 Olympics by the Lord Mayor of Brisbane, Sallyanne Atkinson;
- a member of the 1996 Sydney Olympic Committee by the Greiner Liberal Government; and
- a member of the international Sporting Events Advisory Committee by the Greiner Liberal Government.

The Senator alleged that Australian Airlines "is now in desperate financial straits as a consequence of (my) failure to take appropriate actions to resolve this dispute". (at 4850)

He goes on to say "the shareholders, the people of Australia, are greatly displeased at his stewardship. If it is possible for the company to survive - and it is not at all clear that it can - it will take all his concentrated efforts to bring that about". (at 4850)

These statements about the financial status of the company and the aspersions they cast upon me as Chairman and the Board require a response.

I have been proud to serve as Chairman of Australian Airlines during a period in which the Airline has not only achieved record profits but has become the acknowledged leading domestic carrier in this country.

In the last two years, the profit before tax has risen from \$42.6 million to \$108.5 million or 197%. Profit after tax has risen from \$24.9 million to \$70.3 million or 182%.

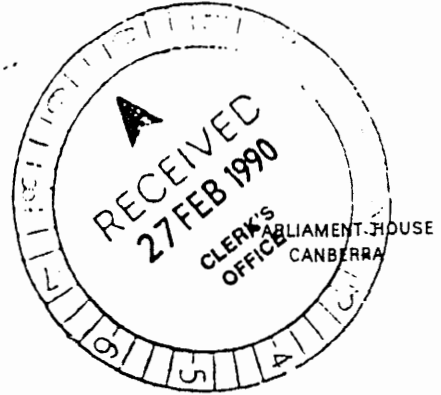


Patricia Giles  
Chair





PRESIDENT OF THE SENATE



26 FEB 1990

Senator P.J. Giles  
Chair  
Committee of Privileges  
The Senate  
Parliament House  
CANBERRA ACT 2600

Dear Senator Giles

Pursuant to the resolution of the Senate of 25 February 1988 relating to persons referred to in debate in the Senate, I refer to the Committee, for consideration under that resolution, the attached submission by Mr A.E. Harris.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kerry W. Sibraa'.

(Kerry W. Sibraa)