LEGISLATIVE COUNCIL

Wednesday, September 17, 1975

The PRESIDENT (Hon. F. J. Potter) took the Chair at 2.15 p.m. and read prayers.

PAPUA-NEW GUINEA

The PRESIDENT: I have to inform the Council that yesterday afternoon I dispatched the following telegram to His Excellency Sir John Guise, G.C.M.G., K.B.E., Governor-General of Papua-New Guinea:

On behalf of the Legislative Council of South Australia, I extend to Your Excellency, your Chief Minister and the people of your newly independent nation, heartiest congratulations and all good wishes for future success and happiness of your people.

Frank Potter, President.

PETITION: SUCCESSION DUTIES

The Hon. R. C. DeGARIS presented a petition signed by 1 949 residents of South Australia stating that the burden of succession duties on a surviving spouse, particularly a widow, had become, with inflation and higher values, far too heavy to bear and ought, in all fairness and justice, to be removed. The petitioners prayed that the Council would pass an amendment to the Succession Duties Act to abolish succession duties on that part of an estate passing to a surviving spouse.

Petition received and read.

QUESTIONS

AGED PEOPLE'S HOUSING

The Hon. R. C. DeGARIS: I seek leave to make a short statement before asking a question of the Minister of Health.

Leave granted.

The Hon. R. C. DeGARIS: I have received the following letter from Mr. Brian J. Warman, Honorary Secretary of Cowell Cottages Incorporated:

We wish to draw to your attention what we believe to be an anomaly which denies elderly ex-servicemen and their wives the right to occupy housing provided for the aged at a time when they are eligible for other Commonwealth benefits. It is we believe reasonable for such a person to assume that, since he is eligible for a pension at age 60, he would also be entitled to accommodation at the earlier age. In fact we have been approached by people who believe such to be the case.

Under the Act, as you will be aware, the only criterion applied to the prospective tenant is that he should have attained the age of 65 years or, in the case of a woman, the age of 60 years. Cowell Cottages Inc. (a non-profit organisation) believes that a clause should be inserted in the Act to allow ex-servicemen to qualify for occupancy at their pensionable age. We ask you to give this matter some thought and act to correct this anomaly if at all possible.

I know this concerns Commonwealth legislation but, as there are conferences between Health Ministers and other Ministers in relation to such matters, will the Minister at any conference, be it a Health Ministers' conference or otherwise, draw this matter to the attention of the Commonwealth authorities in seeking some change so that ex-servicemen can occupy these cottages at the age of 60?

The Hon. D. H. L. BANFIELD: I will do better than that: I will take it up before the next conference with the Australian Minister. As the honourable member has said, this is a Commonwealth matter, and I will draw his attention to it and see what can be done about it.

TOURISM

The Hon. C. M. HILL: I seek leave to make a statement prior to asking a question of the Minister of Tourism, Recreation and Sport.

Leave granted.

The Hon. C. M. HILL: There appeared an article in this morning's paper headed "Critical Minister wants co-operation in tourism". The article dealt with a speech made by the Minister of Tourism. It was reported that he said that the industry was "largely fragmented and uncoordinated". Also he criticised businesses and councils which refused to support local tourist associations. The article quoted the Minister as saying, "Such an attitude is incomprehensible". The Minister was talking to a luncheon group of the Travel League of South Australia. Which are the councils to which the Minister has directed his criticism, and can he give any specific examples of the manner in which such councils have refused to support local tourist associations?

The Hon. T. M. CASEY: The council that comes to mind readily is the Mount Gambier corporation, which was asked to support the association. It was reluctant to do so. I believe the tourist industry in the South-East of this State has tremendous potential and, in order to help the industry and to attract visitors from other States (particularly Victoria, where most of our tourists come from), it is in the interests of all the people concerned with the tourist industry that everyone should do his utmost to co-operate. Much money is to be made out of the tourist industry. I think, from memory, several tens of millions of dollars (I cannot remember the exact figure) is what South Australia recouped from tourists last year. For this reason, I believe that every body interested in tourism, from the smallest to the largest, should be doing its utmost to co-operate to ensure that we get a good slice of the tourist cake.

STANDING ORDERS

The Hon. C. J. SUMNER: I direct a question to you, Mr. President, as Chairman of the Standing Orders Committee. First, do you believe that the Standing Orders of this Council need reviewing? Secondly, do you have any intention of convening a meeting of the Standing Orders Committee soon?

The PRESIDENT: Perhaps the honourable member will recall that I said, when speaking on my election as President, that I hoped the Standing Orders Committee would meet soon and that we should revise our Standing Orders. It will be up to that committee to determine what amendments are necessary. I hope to be able to call the committee together soon.

CITRUS JUICE IMPORTS

The Hon. C. W. CREEDON: I seek leave to make a brief statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. W. CREEDON: I have been approached by representatives of the citrus industry in the Riverland to take up the matter of citrus juice imports. The Minister will be aware that there has been a very rapid growth in the citrus juice market, and that the whole industry is now being oriented towards marketing through processing outlets as distinct from the traditional fresh fruit markets; in fact, the Riverland processed more than 60 per cent of its citrus production last year. At the moment, the minimum price for growers' fruit for processing is determined by the fruit industry's Sugar Concession Committee. However, it would appear that there is growing concern that this method

of determining the price for processing fruit could be broken down through the large volume of citrus juice concentrates now being imported. It has been put to me that, if the Australian Government does not control these imports, an industry which had a production last year valued at more than $70 000 000 could be in jeopardy. Is the Minister aware of the increasing volume of citrus juice being imported, and is he prepared to take action to see that these imports do not seriously affect the citrus industry in the Riverland?

The Hon. B. A. CHATTERTON: The honourable member is quite correct in that there has been a big change in the consumption of citrus in Australia towards the consumption of juice, and so rapid has been the change that at times we are not able to supply the domestic market in Australia from our own sources of citrus juice. Last year 1. think we imported 25 000 000 litres of juice into Australia. I think this has been of benefit to the industry in meeting the short-fall, and it would be unfortunate if imports were to stop altogether. Last year, however, a citrus panel was formed, with representatives from the citrus industry, to try to arrange a system of voluntary control over these imports. If this system works successfully, I think we should see adequate stability within the industry. I want to make it quite clear that there must be some control over imports and, if voluntary control does not work, I will not hesitate to ask the Australian Government to refer the matter to the Industries Assistance Commission seeking to impose quotas or tariffs on imported citrus juices. I do not believe that this valuable South Australian industry can be allowed to suffer from the indiscriminate importation of juice which will cause the complete stability of the industry to be affected.

RURAL RECONSTRUCTION

The Hon. R. A. GEDDES: I wish to direct a question to the Minister of Agriculture, and I seek leave to make a short statement before doing so.

Leave granted.

The Hon. R. A. GEDDES: In the July issue of the *Australian Grapegrower and Winemaker* the Minister is reported to have said that, under rural reconstruction, the Agriculture Department may provide a counselling service giving advice to growers on the opportunities available to them under rural reconstruction. I commend the Minister for his statement. My questions are these: first, is it the intention of the department to assist only grapegrowers with advice on rural reconstruction; secondly, as a corollary to that, will it be possible for the department to extend the service to assist all sections of primary industry which may need assistance from rural reconstruction; finally, has the system been able to get under way as yet?

The Hon. B. A. CHATTERTON: It is not the intention of the department merely to assist grapegrowers. Such a service will be available to all people wanting rural reconstruction assistance. I made it quite clear during the recent State election campaign, when I mentioned this matter in relation to the rural policy of the Government, that we would be dependent on assistance from the Australian Government in setting up such a counselling service. The present resources of the Agriculture Department are not adequate to do the sort of counselling we think is most important. We have put this to the Industries Assistance Commission, which is at present considering rural reconstruction, and we hope it will look at the matter sympathetically. We would be most willing to set up a counselling service within the department, because we believe that it is one of the most serious weaknesses of rural reconstruction at present that it considers applications for finance but does not provide assistance in filling out those applications, and that, I think, is very often the more important part. Farmers, whether grapegrowers or any other types of producer, should be assisted at an earlier stage of looking into their financial affairs completely and finding out how they can best overcome their difficulties. We see the counselling services as assisting the producer at a very much earlier stage, long before the matter has got to the position of making an application and applying for finance.

LEVELS TRAFFIC LIGHTS

The Hon. J. A. CARNIE: I seek leave to make a brief explanation before asking a question of the Minister of Lands, representing the Minister of Transport.

Leave granted.

The Hon. J. A. CARNIE: Last week an invitation was extended by students at The Levels to the Premier and the Minister of Transport to see for themselves the situation obtaining at 5 p.m. on week days at the exit from the Institute of Technology at The Levels on to Main North Road. I do not know whether either of those gentlemen took up the invitation, but I did, on Monday afternoon. The situation, as I saw it, was bad, with Jong delays encountered by cars seeking to enter Main North Road from The Levels. In the time that I watched, many risks were taken by drivers entering the traffic stream because there was not a sufficient gap in the traffic to allow them to do this safely. All members will know of the frustrations of waiting on a side road until a suitable moment arises to join the traffic stream, and they can understand the impatience which must develop. That this situation applies for only half an hour each afternoon is no reason for saying that traffic lights are not necessary. Certainly, any accident which occurs can be fatal. I believe that the Minister said that the installation of traffic lights was a matter for local government, and that no approach had been made by the council concerned. However, in view of the situation that has developed and before a serious or fatal accident occurs, can the Minister take the initiative and approach the council himself on this matter?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague and bring down a reply.

FAIR CREDIT REPORTS ACT

The Hon. C. W. CREEDON: I seek leave to make a brief statement prior to addressing a question to the Minister representing the Minister of Prices and Consumer Affairs.

Leave granted.

The Hon. C. W. CREEDON: I want to bring to the attention of the Council and the Minister a report which appeared in the *Advertiser* on September 9 in relation to the Fair Credit Reports Act. The report states:

> The South Australian Full Court yesterday stopped thousands of customers from being able to inspect credit files kept on them by big stores. The Full Court did this by overruling the Credit Tribunal's decision in June that customers had access to files kept on them by South Australian stores. The tribunal had found stores that had been regularly exchanging information on customers were "reporting agencies" under South Australia's new Fair Credit Reports Act.

The report continues:

> Mr. Justice Zelling and Mr. Justice Jacobs held the majority view that the stores did not come under the Act and ordered the prohibition on the tribunal. The Chief Justice (Dr. Bray), in a minority view, held that the stores did come under the Act and that the tribunal should not be

prohibited from making its own orders. If the stores had lost either of the dual proceedings, the Credit Tribunal would have forced them to open their files to inspection by customers.

Has the Minister given consideration to amending the Act to give the tribunal the necessary power to deal with the six stores in their reporting agency activities, and to cover any other anomalies mentioned in the judgment?

The Hon. D. H. L. BANFIELD: I will refer the honourable member's question to my colleague.

CROSS ROAD INTERSECTION

The Hon. C. M. HILL: I seek leave to make a statement prior to directing a question to the Minister of Lands, representing the Minister of Transport.

Leave granted.

The Hon. C. M. HILL: Motorists travelling east and west along Cross Road at the intersection of Unley Road in the southern suburbs are encountering long delays in turning right at this intersection, because there is not a separate traffic-light phase to permit a controlled right-hand movement of traffic. The volume of traffic passing through this intersection has doubtless recently increased as Unley Road has been declared a priority road. Can the Minister say whether plans are in hand to provide a right-hand turn phase at this intersection and, if it is the case, when will such plans come into force?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague and bring down a reply.

CHRISTIE DOWNS RAILWAY

The Hon. C. M. HILL (on notice):

1. What are the reasons for the delay in completion of the Christie Downs railway service?
2. What are the reasons for the deferment of plans to electrify this proposed service?
3. Could a temporary passenger platform be built at Lonsdale to provide local people with a passenger service at that station, on the Christie Downs line?
4. Is it proposed ultimately to complete the double track to Lonsdale before proceeding to lay track to Christie Downs?
5. When is it expected that the Christie Downs service will be completed and operating?
6. How many years will that be from the date when the present Minister of Transport announced publicly the plan to construct the new Christie Downs railway project?

The Hon. T. M. CASEY: The replies are as follows:

1. The critical factor is the construction of the terminal railway station at Christie Downs.
2. The general shortage of equipment for railway electrification throughout the world and the current shortage of Australian Government funds for transport.
3. There should be no need for a temporary passenger platform at Lonsdale because the permanent station should be complete by January, 1976, when the service to Christie Downs commences.
4. No.
5. January, 1976.
6. About five years.

LISTENING DEVICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from September 16. Page 741.)

The Hon. C. M. HILL: I support the Bill and commend the Hon. Mrs. Cooper for introducing it in the Council. I listened with interest yesterday to the Government's reply to the Hon. Mrs. Cooper's submissions, although I must say that I was not very impressed by the arguments that the Government brought forward in defence of keeping in the parent Act the provision referred to in the Bill.

I stress the point that the Act that the Hon. Mrs. Cooper is trying to amend already contains a most important section, section 4, which has been explained previously and which provides, in effect, that a person shall not use any listening device intentionally to overhear or monitor any conversation without the consent of the parties to that conversation.

That is the whole crux of the matter that the Council is now debating; it is an important principle that is beyond doubt. That section should be the operative provision in this whole subject. Unfortunately, further along in the Act there is a controversial section, which the Hon. Mrs. Cooper is trying to have repealed. It is, in fact, a let-out provision from the important section 4 to which I have just referred. The let-out provision is a most complex one and, indeed, makes a mockery of the important issues referred to in section 4. It allows a let-out under most complicated provisions.

Each time I read it I cannot help thinking that it was drafted not with a clear aim in mind but, in general terms, to water down the whole effect of section 4 so that, if anyone is ever charged under that section, the chances are that he will be able to escape through the machinery in section 7. I therefore do not believe that it is a good thing for this let-out provision to remain. I have endeavoured to study the Minister's reply of yesterday, but I am not very impressed with what he said. Referring to the Hon. Mrs. Cooper, the Minister said:

> I draw her attention to the fact that section 7 of the principal Act refers to the lawful use of a listening device by a party to a private conversation. That section merely recognises that some people have a lawful and proper interest in recording conservations in which they take part.

The whole point there is surely covered in section 4, which provides:

> A person shall not intentionally use any listening device . . . without the consent, express or implied, of the parties to that conversation.

This covers the Minister's point. When the Minister makes a submission like that, it reinforces my belief that there is absolutely no need for section 7 to be in the Act. The Minister continued:

> As an example, where A and B have a conversation and A, by means of a listening device, records the conversation, A and B have what might be called a personal right of privacy, a right which, to the extent of the conversation, each of them has consented to its abrogation.

To a layman like myself, that is very strange reasoning indeed. If one abrogates one's right to privacy by having a discussion or conversation, surely no-one is safe in saying anything to anyone. I therefore cannot follow the Minister's reasoning on that point. The Minister also said:

> Another example of the legitimate recording of a conversation would be where a person suspected he was about to be blackmailed.

If the Hon. Mrs. Cooper's amending Bill is passed, it will be important in future for anyone who receives an approach that could lead to blackmail to report the matter immediately to the police.

The Hon. N. K. Foster: Give an example.

The Hon. C. M. HILL: A telephone conversation.

The Hon. N. K. Foster: Apart from that.

The Hon. C. M. HILL: That is as far as I need go to make the point. If the law is changed, as soon as a person believes he is being blackmailed through a telephone conversation, he must report the matter to the police, who are

empowered under the principal Act to record conversations on that person's telephone following the report. The power of the police to take action in circumstances like that is not affected by the Bill. It would be quite properly a matter for the police. I therefore reject the Minister's point in connection with blackmail. In general, I do not think the Government's case is at all strong. If the Council passes the Bill, the position will be abundantly clear that, in future, it will not be permissible to monitor or record conversations without the consent of the parties to that conversation; that is the crux of the whole matter. For those reasons I strongly support the Bill.

The Hon. JESSIE COOPER: I thank honourable members for the attention they have given to the Bill and for the way in which they have dealt with it.

The Council divided on the second reading:

Ayes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper (teller), R. C. DeGaris, R. A. Geddes, C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Noes (9)—The Hons. D. H. L. Banfield (teller), F. T. Blevins, T. M. Casey, B. A. Chatterton, J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Pair—Aye—Hon. M. B. Dawkins. No—Hon. C. W. Creedon.

The PRESIDENT: There being an equality of votes, I give my casting vote for the Ayes to enable the Bill to be further considered.

Second reading thus carried.

In Committee.

Clause 1 passed.

Clause 2—"Repeal of section 7 of principal Act."

The Committee divided on the clause:

Ayes (9)—The Hons. J. C. Burdett, M. B. Cameron, J. A. Carnie, Jessie Cooper (teller), R. C. DeGaris, R. A. Geddes, C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Noes (9)—The Hons. D. H. L. Banfield (teller), F. T. Blevins, T. M. Casey, B. A. Chatterton, J. R. Cornwall, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Pair—Aye—Hon. M. B. Dawkins. No—Hon. C. W. Creedon.

The PRESIDENT: There are 9 Ayes and 9 Noes. There being an equality of votes, I give my casting vote for the Ayes.

Clause thus passed.

Title passed.

Bill read a third time and passed.

CRIMINAL LAW (SEXUAL OFFENCES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from September 16. Page 748.)

The Hon. C. M. HILL: Reference has been made in this debate to my former interest in previous Bills that have dealt with this same subject matter. It is true that, in 1972, when I introduced a Bill, I made a deep study of this most complex social matter. The long speech I made to that Bill on August 2, 1972, is not one I intend to repeat on this occasion. I also spoke briefly to the 1973 Bill when it was debated in this Chamber on October 31 of that year.

I maintain my previous attitude to this whole question. In brief, this is that homosexual practices between adults in private should not be subject to the criminal law. In holding that view I stress, as I have done previously, that I do not condone or approve such conduct. If the Bill before the Council passes, I do not believe that the incidence of homosexuality will increase. I have three reasons for this opinion. The first is that some homosexuals who need help will come forward for such help. They need medical treatment and more will be prompted to secure such treatment if they are released from the stigma and danger of being criminals before the law.

My second reason is that the incidence of persecution and blackmail amongst homosexuals will decrease and, released from these threats and dangers, some will seek treatment; some of that group will ultimately respond to that treatment. Thirdly, the psychological effect upon some homosexuals of the proposed change will encourage them to change their lifestyle. This change in the law is, to them, dramatic. They will be released from criminal sanctions and shown within the law (and, I would hope, among many sections within society) genuine compassion, understanding and tolerance.

I do not agree with many of the fears that have been expressed by some honourable members and some of my correspondents regarding what may happen if the law is changed. I cannot accept that youth will be corrupted and that the moral fibre of society will be undermined. I reject the contention that civilisations have fallen in the past because of homosexual practices. Nor do I accept that present-day standards of morality are as bad as some of my correspondents suggest.

Certainly, there is less prejudice and hypocrisy today than previously, especially among younger people. Of course, there is always a need for individuals to endeavour to improve their moral standards. This Bill, as far as some homosexuals are concerned, will encourage that process. I have not received information other honourable members may have, but I cannot find evidence to suggest that countries or States that have had long-standing laws similar to those proposed in this Bill are morally worse than South Australia.

I have no evidence that countries in which similar change has occurred have suddenly degenerated or that in these circumstances the incidence of homosexuality has increased. I now make brief reference to that group of adult homosexuals who, if the law changes, will not want to seek treatment or change their present way of life. I am not concerned with helping that small radical section which gains publicity, and whose aggressiveness deserves severe censure. However, the lifestyle of the other larger group is altogether different from what I consider to be the norm.

Many of these people hold important positions in the professions and elsewhere. These South Australians, in the context of this debate, will become law-abiding citizens in every respect. I dissociate myself from the opinions of those who sit in judgment on them as sinners, and from the opinions of those who judge the relative seriousness of their sins. As long as the public interest is not adversely affected by their presence or their way of life, they have a right to live as they please and to choose their own moral code. The relative seriousness of sin, whether it be deemed natural or unnatural, is a question for the Almighty to decide at the appropriate time.

Whilst I believe that the change in the law initiated by this Council in 1972 went some way towards finding the answer to this most complex and difficult social problem, I believe this Bill further improves the position. I do not

believe that ill effects within the community will result if the Bill is passed; indeed, I look on the measure as both humane and Christian. I support the Bill.

The Hon. R. A. GEDDES: I wish to ask several questions in this debate. Why are we not discussing ways and means to help those unable to assimilate modern teaching programmes to find a job? Why are we not looking at ways to help the poor, to feed and clothe and house them? Why are we not ashamed of the State's unemployment figures, and why are we not trying to discover ways to encourage industry to employ more people? Why do we not discover the meaning of Chairman Mao's thoughts of "More better, quicker, faster"? Why are we debating the liberalising of homosexual permissiveness when breeding sheep and cattle are being deliberately killed, not for meat and protein for the world but to rot in the paddock?

Why are we not debating the problems that union leaders are facing in trying to establish a reasonable wage for their members which will give them the desire and the opportunity to give a fair day's work for a fair day's pay? Why are we not insisting on hundreds of cheaper houses so that normal heterosexual couples can live and raise their children in healthy and happy homes, growing their own vegetables and planting trees? Why is not the Council explaining to the Government that, although socialism can appreciate the needs of the people, the only way it knows to supply that need is to have controls, licensing, and regimentation which frustrate the confidence and the freedom a State as young as ours needs in order to grow? Is it because these problems are too difficult? Is it easier to make the claim that we were the festival city, but now we are to be the gay festival city, the first in Australia?

I remember the time, during the Second World War, when Hitler's Germany and Tojo's Japan held the free world to ransom, when ships on their way to Britain were being torpedoed and sunk by U-boats. Cities were being bombed. The Japanese invasion of Australian soil was considered imminent. The British were facing large armies marching along the coast of France, not knowing what their future held. Australia, with its huge coastline and its small army, saw Port Moresby threatened and Darwin bombed. During the Christmas period of that year, King George VI made a broadcast to the free people of the world, quoting a poem written by an Australian. He said:

> And I said to the man who stood at the gate of the year: "Give me a light that I may tread safely into the unknown". And he replied: "Go out into the darkness and put your hand into the hand of God. That shall be to you better than light and safer than a known way."

Those were stirring words in those days, designed to help people who were frightened of the future. This preface to my speech on the Bill may appear irrelevant and out of context, but what I want to express is the fear of what tomorrow will bring. Just as King George VI showed his people the way to go when they wondered what tomorrow would bring, so I raise the question of what does tomorrow bring when we debate a Bill designed to allow a greater sexual permissiveness for those who are labelled homosexuals.

I base my argument in this debate on the fear that I and many concerned parents have for their children. It is not only today's youth and teenage children but their children as well for whom we are concerned. Will the gay element in our society now, and in the future, foster, encourage and coerce the inquisitive, the ignorant and the misfits of our youth? Will their parents, because of the modern necessity for the husband and wife to work, while often being parents who have difficulty in explaining the sexual facts of life, turn the other cheek (in a literal sense) and allow their children to drop out of the accepted way of life and adopt a sexually deviated way because no-one cared to tell them any different? Will children be encouraged by the environment where they can easily be classed as being "sissy" if they are not "with it"; will they be encouraged by adults if they think it is the "in thing"?

Is this a legitimate fear? Are the disciplines which society has accepted for generations now old hat? Are they in urgent need of change? Is the second stage of homo-permissiveness to accept the type of ordinance recently introduced by the Governing Council of the Australian Capital Territory in Canberra, which seeks to allow marriages between any consenting couple, as well as allowing for the adoption of children by these barren people who, because of the laws of nature, are unable to conceive? Is this a legitimate fear, or was Moses old hat when he wrote the Ten Commandments?

Is the third stage to be a relaxation of the laws governing the use of drugs, so that people can enjoy not the mystery of love but the sordidness of buggery while on a "trip"? Is this a legitimate fear? In conclusion, I am concerned about laws which allow for the relaxation of moral standards. I am concerned that the next stage will be to allow even greater permissiveness. Are we really aware and capable of judging the effects that these relaxations will have on our children and on their children in future societies?

The Hon. C. J. SUMNER: In supporting the Bill, I point out that there has been much public discussion on this issue in recent years, especially during the last 20 years since the publishing of the Wolfenden report in Great Britain in 1957. The most recent report dealing with this matter is probably the Western Australian report. Also, this Council has considered this matter previously on several occasions, and I believe that all members have had sufficient information and should be able to make up their minds to vote on the Bill expeditiously. I believe that most specialist opinion is directed to the view that homosexual acts between consenting adults should not be criminal.

I would now briefly like to refer to some of the arguments advanced by the Hon. Mr. Burdett in opposing the Bill. His first argument was that there have been no prosecutions under the existing legislation since 1972, and therefore that there is no need to change the law. However, this is really a two-edged argument. If no prosecutions have occurred and no prosecutions will occur under the legislation, why should the law be retained? It is illogical to put a law on the Statute Book knowing that it will never be used. I sincerely believe that this is a bad. principle of law making.

The Hon. J. C. Burdett: Because it makes incitement an offence; it enables you to do that.

The Hon. C. J. SUMNER: I will deal with that. I believe that such an approach to the law ultimately brings the law into disrepute. People can flout the law knowing that there will be no prosecution as the result of their action. We have often seen the situation where the law falls behind community attitudes, and we see people flouting it because the law is out of touch with what they want. We saw this situation under the old lottery and gaming legislation. We saw the use of illegal sweeps and raffles, until eventually the legislation caught up with community attitudes so that people were no longer breaking the law when they indulged in those activities even though there were few prosecutions prior to the change.

However, here we have the reverse situation applying: we have the Hon. Mr. Burdett wanting to retain a criminal law knowing that no action will be taken under it. As I say, I believe that this is a dangerous approach to legislation. He seeks to justify this approach on two grounds. The first relates to the civil law of defamation, and the second relates to what I call the ancillary offences to the main criminal offence, namely, incitement, and I suppose one could include conspiracy in that. The Hon. Mr. Burdett maintains that a civil action for slander would be denied to a person accused of being a homosexual unless that person could establish pecuniary loss.

I comment on that view by saying that it is letting the civil law tail wag the criminal law dog. I believe that the criminality or otherwise of an act should be determined by criteria which the community uses in deciding whether or not an act should be regarded as criminal. I do not wish to get into a long philosophical argument about what is a crime or why certain acts are regarded as criminal, but I suppose, in general terms, we look at what harm the act does to society; what harm the act does to any other individuals. I think that would be the general principle we would adopt in a liberal democratic society when considering whether or not an act is a crime. In this regard, I refer to the Wolfenden report, whose criteria I would adopt in this situation. At page 9, the report states:

> In this field, its function, as we see it, is to preserve public order and decency, to protect the citizen from what is offensive or injurious, and to provide sufficient safeguards against exploitation and corruption of others, particularly those who are specially vulnerable because they are young, weak in body or mind, inexperienced, or in a state of special physical, official or economic dependence.

The report continues:

> It is not, in our view, the function of the law to intervene in the private lives of citizens, or to seek to enforce any particular pattern of behaviour, further than is necessary to carry out the purposes we have outlined.

I believe that that embodies the general harm principle to which I was referring. The point regarding the defamation issue raised by the Hon. Mr. Burdett is that we ought to decide whether an act is criminal by these general criteria, and not by the effect that that decision will have on the civil law.

I comment further on this point by saying that the incidence of slander actions where no pecuniary damage is caused is almost nil. For all practical purposes, defamation actions are libel actions and, of course, actual loss does not have to be proved in such a case, so that the civil law, in so far as it relates to libel actions, will still apply. I submit that the point raised by the Hon. Mr. Burdett was not a particularly practical one. Further, a person accused of being a homosexual who wished to take civil proceedings for slander could succeed on the grounds that the accusation related to unfitness in trade or profession. I do not wish to go into that technical and legal argument. First, it is not a particularly practical point; secondly, it may be that a person could be successful in an action for slander under that heading.

The main point I wish to make is that it is a lopsided way of deciding whether an act is criminal. For instance, when talking of moral offences, one could say that adultery should be criminal because it would be easier for someone to sustain a defamation action. Someone would, no doubt, consider his reputation was offended if he were called an adulterer. However, to say that that justifies making adultery a criminal offence is, I submit, nonsensical. The same applies to an accusation that someone is a communist or fascist. To some people those words would constitute an injury to reputation. However, to say that those activities ought to be proscribed, that it ought to be a criminal offence to be a communist or fascist, merely to assist the civil law is, as I said, ridiculous.

The second ground on which the Hon. Mr. Burdett sought to justify the retention of this law was that of incitement. If we dispensed with the criminal aspect of this act, the ancillary offence of incitement to sodomy would not apply. Again, my previous comment applies. We should not allow these ancillary offences in the criminal law to determine the substantive offences. That is putting the cart very much before the horse. Again, I cite the case of adultery, which perhaps offends the moral sensibilities of a certain group. Legislators may say, "Let us make adultery an offence so as to stop people from proselytising about it." That action would be taken without considering the criminality of the act itself.

My general position on this matter is that, although groups in the community may wish to talk about their homosexual actions and tendencies or to proselytise (I think that is the word that has been used in the debate), I believe that adults in our community are able to take care of themselves in matters of personal morality. No amount of incitement will turn a heterosexual person into a homosexual one.

The offences of incitement would still apply in relation to the other offences that are retained on the Statute Book, and it seems probable that juveniles are protected by the existing law in relation to incitement without involving this odd legislative procedure that the Hon. Mr. Burdett has suggested.

I now refer honourable members to page 628 of *Hansard.* I was somewhat surprised to find a person such as the Hon. Mr. Burdett referring to the proselytising activities of homosexual groups in the following terms. When I asked the honourable member how these groups used persuasive methods to seduce young males to their way of life, he said:

> By talking to them and by forming societies (and they do exist; I have seen something of their existence) and by getting even members of the clergy to come and talk to them and say that there is nothing very wrong with their way of life. After they have been established in that way of life, it is almost impossible for them to escape from it. After such persons are so seduced, an almost Mafia-like procedure is used for preventing them from escaping.

That is one of the most amazing statements I have ever read, particularly coming from someone who ought to have some evidence to back up his statements. However, absolutely no evidence has been produced.

The Hon. J. C. Burdett: There's quite a lot.

The Hon. C. J. SUMNER: It is a broad statement trying, I believe, in the most scurrilous terms, to tie up the activities of gay liberation groups with those of the Mafia. Another objection that has been raised to the Bill is that it opens the way to include discussion of homosexual matters in school curricula. I do not adopt a hysterical approach to this. Although I am not a great expert in the education field, I can see no objection to the proper treatment of this subject in schools. Surely it must be recognised that this is a part of life, and of our history and the civilised society in which we live. I could not therefore see any objection to the matter being considered in secondary school curricula in the sort of context that I have explained: as a fact of life and as part of the education regarding what happens in our society.

Finally, many adjectives have been thrown about to describe homosexual behaviour and sodomy. I refer, for instance, to the words "filthy", "unnatural" and "abnormal". I suppose it is abnormal if one takes the majority view of

society. But, then again, it is abnormal in our society to express a communist viewpoint or to express aberrant views (in the sense that they do not conform to the society norm). However, there is no suggestion that we, in a democratic community, ought to proscribe this abnormal behaviour, to which the majority of society does not agree or conform. There is a way in which homosexual activities—

The Hon. R. C. DeGARIS: You are doing exactly that in this Bill, are you not, in regard, to, say, intercourse with animals? You are making a value judgment.

The Hon. C. J. SUMNER: Of course, we must draw a line somewhere in all discussions on moral offences.

The Hon. J. C. Burdett: So, you do draw a line, do you?

The Hon. C. J. SUMNER: It is a question of harm. In most cases homosexual activity is not an assault situation: in many cases it is an expression of feeling between two individuals in a love situation. If one carries this an extra step to animals, one is going beyond that.

The Hon. J. C. Burdett: So, you are making a moral judgment.

The Hon. R. C. DeGaris: Yes, you are making a straight moral judgment, but you criticise other people for doing the same thing.

The Hon. C. J. SUMNER: At some point one has to draw the line as to which acts harm society.

The Hon. J. C. Burdett: So, it is only a question of where you draw the line.

The Hon. C. J. SUMNER: Obviously, we have got to draw the line somewhere.

The Hon. J. C. Burdett: That is all that we are trying to do.

The Hon. C. J. SUMNER: Homosexuals who decide to engage in homosexual activity are expressing their affection; I do not believe that that is impinging on any other person in society either individually or through society as a whole. Homosexual activity is abnormal in the context of certain norms in Australia, but in one sense it is normal, particularly if we take a historical view of it.

The historical view is that homosexuality, in one form or another, has existed in all civilisations throughout the ages. I believe that homosexuality was extolled in the Greek civilisation by Plato and Socrates. Many famous people openly admitted their homosexuality; for example, Leonardo da Vinci, James I and Bacon have all been mentioned in this respect. So, homosexuality is normal in the sense that it has always been a part of society, and it has not destroyed society. Indeed, the repression of homosexuality may well affect creative personality in other areas. If such people are considered to be criminals, they may not be able to express themselves as openly and creatively as they would be able to do if they were not considered to be criminals by society.

I now refer to the aggressive male Australian attitude to homosexuals; we have all heard of poofter bashing. Over the years our society has adopted a repressive attitude toward homosexuality, but one wonders how this fits into the known Australian male trait of preferring male company to female company. In this connection I refer to segregated bars. Even today, there are bars in the city where females are not allowed, because the boys like to be among themselves.

The Hon. N. K. Foster: For example, the Adelaide Club!

The Hon. C. J. SUMNER: This is an expression of man's affection for his mates. In his book *The Sexual Dilemma,* Paul Wilson, after quoting a letter from an aggressively anti-homosexual person, says:

> Although this letter obviously represents an extreme case, the inordinately strong reaction that Australians have towards homosexuality—both in terms of the primitive measures that the law hands out and in terms of general public attitudes towards homosexuals—suggests to many writers and psychiatrists that Australians have fears of their own latent homosexuality. The invert, as Schur has so aptly put it, "may provide not merely a convenient scapegoat for free-floating aggression, but also for some individuals a significant vehicle for vicarious punishment".

I do not wish to carry that argument too far, but it probably indicates that homosexuality cannot be seen in completely black and white terms.

The Hon. R. C. DeGaris: It would be a good idea.

The Hon. C. J. SUMNER: So, one ought to look on homosexuality as a part of society, something that is a matter of private morality. No-one can demonstrate that homosexuality harms society as a whole. I support the Bill.

The Hon. T. M. CASEY (Minister of Lands): As a family man, I believe that this Bill touches on the family unit as we know it. I have not drawn my conclusions lightly, because I have been inundated with letters from constituents all over the State expressing grave concern at the likely passage of this Bill. No member of Parliament could deny that the basis of our community is the family unit. We often hear about the importance of the family unit, particularly at election time, and it is basically true. Any attempt by this Council or by any other Chamber to undermine the family unit is a gross injustice to that unit and to society in general. I would be the first to admit that our society is becoming increasingly pluralistic. It has changed more radically in the last 25 years than it did in the previous 100 years.

Some outspoken minority groups argue that the Parliament or the Government has no responsibility to uphold the moral law as Christians know it. That has been said on many occasions in many forms. I also maintain that the Government or the Parliament of any country or any State has no mandate from the people of that country or that State (in this case, South Australia) to change by law its moral standards and values. That is what concerns me very much at this point. If this Bill is passed, our moral standards and values will be affected—not necessarily immediately but in the future. I want to protect our social structure in this State, not help to undermine it. For this reason, I oppose the Bill.

It has been said that the existing law provides that certain actions, even between consenting males, are a criminal offence. It has been argued (and other arguments have been used) that, whilst the existing law provides this, the law also does not intrude upon certain private acts between consenting males. Although I am not conversant with the criminal Jaw, as some honourable gentlemen in this Chamber are, if they like to go through the criminal law they will find that this is not the only case where a law is on the Statute Books (and it is criminal law) where prosecution is not enacted in certain fields. So it is not an isolated matter when we talk about this Bill as regards the criminal law in general. Although it may be argued that such activities, in these circumstances, are of a private, moral nature, up to the conscience of every individual rather than actions requiring the intervention of the law, that is not the end of the story.

Removal of legal sanctions would make it easier for homosexuals to attract, persuade, dare, or use some other

means to cause other people to adopt their way of life. I am convinced this would happen. It is an unfortunate fact of life that it is the weak and immature who fall easy prey to the unscrupulous. A person does not necessarily reach maturity or obtain wisdom at a given legal age. There has already been one attempt in Adelaide, to my knowledge, by homosexuals to distribute their literature to schoolchildren. Attempts of this nature would undoubtedly increase, not necessarily in the school area but outside school areas. Despite claims to the contrary, it is unlikely that, if this Bill was passed, homosexuals would then consider that their objectives had been achieved. Passing this Bill would lead to agitation for further liberalisation of existing laws (and already moves are afoot in the Capital Territory to do just that)—for example, marriages between homosexuals, followed by adoption of children.

This Bill can be regarded as a further direct attack on the family, as I have indicated earlier, as the basis of our society. History has recorded that a society that becomes decadent eventually crumbles. It has been claimed that the South Australian daily press, and particularly the *Advertiser,* has indicated support for the measure. Other people have also been mentioned as supporters. However, letters also published in the press have indicated strong opposition to this move from people in all walks of life. As I indicated earlier, there has been a flood of letters on this matter to me personally, and no doubt to other honourable members, too. It is apparent that large numbers of South Australians do not support this move. In the absence of overwhelming support for the change, honourable members should preserve the *status quo,* as was the case when this matter was previously before the Council.

The argument that the present law turns a minority of otherwise law-abiding citizens into criminals and prevents them from making the useful contribution that they would otherwise be able to make has its pitfalls. The same argument could be used regarding other crimes. We do not change the law to condone other crimes on the ground that a person has an otherwise useful contribution to make to society. It is difficult to know to what extent the present law acts as a deterrent. However, the fact that homosexual acts are still committed despite the law does not prove that the law does not have a deterrent value. Few people would argue that the existence of the criminal law, with the consequent fear of getting caught, does not dissuade some people who would otherwise commit crimes of, for example, theft, violence, or things of that nature. It is reasonable, in those circumstances, to believe the same situation would apply to at least some homosexuals.

One factor that should not be overlooked is the degrading effect that homosexual activities have upon the participants. I think we are all of that opinion. To me, it is something that is completely and utterly nauseating and degrading. If I could use stronger words, I would. They need assistance to help them overcome their failing, not the encouragement that this Bill would provide for them to continue degrading themselves. It has been stated in this debate that homosexuals are not born and the reason some people engage in this unnatural act is because of many factors: hence, the need for medical care. Considerable stress has been placed on the incidence of victimisation and even blackmail that homosexuals attract. The word "self-control" immediately springs to mind. Others have to control their weaknesses in this way, so why not homosexuals?

Self-control seems to have become a forgotten word over the past decade or so, particularly in respect of sexual activities generally. If homosexuals exercised self-control, they would remove the basic reason for victimisation or blackmail. By failing to do this, they run the risk that someone will take advantage of them in this way. It is unlikely that the Bill, if passed, would eliminate victimisation and/or blackmail. Society, with good reason, regards homosexual activities as unnatural and abhorrent. While this view is taken (and it is not possible to envisage that will ever be otherwise) conditions conducive to victimisation and blackmail will exist, and someone will always be ready to take advantage of the situation. The brazen will be ready to flaunt their homosexuality, and this is one of the consequences that will have to be faced; but there will still be those who will practise in secret and submit to victimisation or blackmail rather than have their aberrations made public to their friends and acquaintances. For these reasons, I cannot support the Bill.

The Hon. N. K. FOSTER: I had not intended to enter this debate. I commend my colleague, the Hon. Mr. Casey, for rising in his place, as he has just, in fact, done; but, having put that side of the matter, let me say that this Bill is a simple measure, with only one real, salient, purposeful aim: that is, to do what each and every one of us on this side of the Council knows full well should be done—to remove the charge of criminality against the act of male homosexuality, no more, no less.

It is unfortunate that, in the Parliamentary sense, whenever a Bill is produced it must go through the system not only of Parliamentary procedure but also of Parliamentary draftsmanship. This is always essential, especially for people such as yourself, Mr. President, who are members of the legal profession. It is not always readily understood by people like myself and, thank God, I am not a member of your chosen profession, nor have I had any desire to be so in the past or the future. We are led up the road of supposed protection of every individual in a community or in the State, we as Parliamentarians fall into the trap of hiding the tree by the branches or by the leaves of legality.

In endeavouring to over-protect and over-simplify, we completely hide the facts. This debate has been a classic example of hiding the very simple role of this Bill. I commend to each and every member of this Council, and indeed of the public, the submission of the Social Concern Committee. Can anyone suggest that the names contained in that document are the names of corrupters of the community or any section of it?

The Hon. J. R. Cornwall: Ren DeGaris has.

The Hon. N. K. FOSTER: Of course he has. If he had his way, after the stupid speech he made yesterday afternoon, and if anyone should be protected in the community, they should be protected from the DeGarises, the Burdetts, and the Greenwoods of this Parliamentary system.

The Hon. J. C. Burdett: What have we done?

The Hon. N. K. FOSTER: You over-protect people. Honourable members opposite should tell me, if they can, whether people were kicked out of the Armed Forces during the Second World War or during peacetime because they practised homosexuality. They should tell me of any case, if they can. I have raised this matter because the Hon. Mr. Geddes, in his speech this afternoon, referred to the late King George VI and what he said about the role of the people in the Second World War. The Hon. Mr. Geddes raised in this debate the question of why sheep were being slaughtered and thrown into the fertiliser heap or being processed for fertiliser. That was raised in the debate on a Bill such as this! What the hell has it to do with this Bill?

The whole trend of the argument for those in opposition to the Bill has been a red herring. The king of them all, protector of all red herrings, is Ren DeGaris, who sits in this Chamber. I wonder whether he was fair dinkum yesterday in the manner in which he dealt with submissions raised by my colleague, the Hon. Anne Levy. He was talking about all sorts of things that should be done in endeavouring to convince this Chamber (in his own logical way) of how he interpreted the matter. Let me say this: if what he was aiming at was accepted by any Parliament or any community, every person convicted of any offence in this country and given one day or any other term of imprisonment would be locked up in solitary, and whether male or female, would not be allowed to congregate at any time while under sentence. That is what the honourable member said by way of his contribution.

I am not going to speak for long, and I am not going to be bamboozled into endeavouring to answer questions on why and how things are done in a strictly legal sense or in the sense of the Parliamentary Counsel. I am concerned that there are people in the community, born the same as honourable members and I, but on the basis of their sexual behaviour or their sexual requirements they are different, through no damn fault of their own.

The Hon. J. C. Burdett: That has not been denied.

The Hon. N. K. FOSTER: I stick by that. It is all very well to take a percentage of the population in this or any other society and say that one in 10, one in 15, or one in 58 is a homosexual. None of us can know that one of our own children will not be born this way, choosing to lead his own sexual life. Do honourable members want their sexual lives changed by this Parliament, so that that part of their lives must be hidden and regarded as criminal? How do I know that honourable members do not indulge, and how do they know that I do not?

The Hon. M. B. Cameron: It is too late—

The Hon. N. K. FOSTER: Many people of our age group, when learning history at school, or when delving into literature that was not available in the schools, learned that some of the heroes of the history teachers of our day were homosexuals. We cannot deny that. Let us take away the legislative jargon. Quite simply, the person who indulges in such activities today, through no fault of his own can be described and considered by the courts of the land as a criminal. This Bill does no more than remove that, and I support it. We should not be led into matters of blackmail, and so on. I put this to the Hon. Mr. DeGaris, the Hon. Mr. Burdett, and the Hon. Mr. Geddes. If they think this is blackmail, I ask them to consider the article appearing on page 5 of today's *News* regarding another matter that will be coming before this Chamber. The article reports what the Coca-Cola company warns of what it will do with a plant at Port Pirie because it might be on the wrong end of another Bill. That is the worst type of blackmail, but honourable members do not mention that because, when that Bill comes up for debate, they will be taking a different line.

The Hon. J. C. Burdett: Is that relevant to this Bill?

The Hon. N. K. FOSTER: It is not relevant to the Bill. I thank the Hon. Mr. Burdett for taking me up on a small point. He must agree with what I said a while ago about the Hon. Mr. Geddes, who went all over the world, from Berlin to Ballarat, almost; certainly he made an irrelevant speech.

The Hon. J. C. Burdett: That did add up, but what you are saying does not add up.

The Hon. N. K. FOSTER: How the hell did that add up in removing the criminal aspect of homosexuality? How did that measure up when he was talking about dead sheep? What is wrong with the honourable member? We heard about cruelty to animals right throughout the debate, but some of the greatest cruelty to animals is not in this context and is not mentioned in the Bill: it is in the pursuit of medical and veterinary science, or at the abattoirs. Do not let us get locked up in that sort of thing. Honourable members will put up their hands and cast their votes. It is a simple matter, as the Hon. Mr. Burdett should know, as a member of a learned profession. The Bill seeks only to remove the stigma of criminality from homosexuality.

The Hon. J. C. Burdett: Who mentioned cruelty to animals?

The Hon. N. K. FOSTER: Most honourable members opposite have. The only reason I can see for the Hon. Mr. Burdett's voting for the Bill is that as a practising lawyer he does not wish to see his area of business eroded.

The PRESIDENT: Does the Hon. Miss Levy wish to exercise her right of reply?

The Hon. ANNE LEVY: Yes, Mr. President. In concluding this debate, I wish to say that this has been a responsible and sincere debate by all members who have spoken. All possible views relating to the subject have been expressed and well represented. We have received a great deal of material from people outside this Chamber, putting views for and against the passing of the Bill. I, for one, have carefully read and digested all that has been sent to me. I would deprecate in particular a rather unpleasant and vituperative anonymous letter which I received, but all other material has been carefully considered.

I would perhaps say that no-one is likely to have changed his view concerning this Bill as a result of this debate. I know that most members held views on this matter before the debate began, and nothing that has been said is likely to have changed anyone's views. My view certainly remains unchanged: that this is a humane and compassionate Bill, which will in no way injure our society. On the contrary, it will show tolerance and bring justice to a hitherto misunderstood minority. I commend the Bill to the Council.

The Council divided on the second reading:

Ayes (13)—The Hons. D. H. L. Banfield, F. T. Blevins, M. B. Cameron, J. A. Carnie, B. A. Chatterton, J. R. Cornwall, C. W. Creedon, N. K. Foster, R. A. Geddes, C. M. Hill, D. H. Laidlaw, Anne Levy (teller), and C. J. Sumner.

Noes (5)—The Hons. J. C. Burdett (teller), T. M. Casey, Jessie Cooper, R. C. DeGaris, and A. M. Whyte.

Pair—Aye—The Hon. J. E. Dunford. No.—The Hon. M. B. Dawkins.

Majority of 8 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Interpretation."

The Hon. C. M. HILL: With your approval, Mr. Chairman, I will move my amendments on file separately.

The CHAIRMAN: I think they are best moved in two parts.

The Hon. C. M. HILL: I move to insert the following new definition:

"carnal knowledge" includes *penetratio per anum* of a male or female person.

This extends the accepted definition of carnal knowledge to include an offence of the kind provided for in the

amendment. The offence of carnal knowledge is one involving minors, and every precaution must be taken to cover all aspects. A similar amendment was moved by you, Mr. Chairman, from the floor of the Chamber to a Bill that was introduced in 1972. On that occasion the amendment was accepted without discussion. I think this definition was probably overlooked in the preparation of the Bill on this occasion.

The Hon. ANNE LEVY: I am happy to support the amendment.

Amendment carried.

The Hon. C. M. HILL: I move:

In the definition of "rape" to insert "or female" after "male", and to insert "or her" after "his".

The words "or her" were omitted from the amendment when it was placed on file. This amendment is self-explanatory and conforms to the principle applying throughout the Bill. I understand that this amendment, too, was approved in 1972 and obviously should have been included in this Bill, but for some reason it was overlooked.

Amendment carried; clause as amended passed.

Clauses 5 to 28 passed.

Clause 29—"Abolition of crime of sodomy."

The Hon. J. C. BURDETT: I have placed a series of amendments on file and, with your approval, Mr. Chairman, I intend to deal with the amendments in the following way. Subject to your advice I will move the first amendment which seeks to leave out "section is" and insert "sections are". There are two parts of the amendment, the first relating to incitement in schools and the second relating to incitement in advertisements. It is conceivable that some honourable members would support one part of the amendment and not the other. From the point of view of draftsmanship it was better to draft the amendment this way for the sake of the principal Act as amended, if it is so amended. I intend to put the amendment formally, that is, to leave out "section is" and insert "sections are" and proceed to speak to both substantial parts of the new clause, on the understanding that, after debate, any honourable member who intends to oppose both substantial parts of the amendment will vote against the amendment formally moved. Any honourable member who supports either or both substantial parts of the amendment will vote in favour of the first amendment, to which I have referred. If that amendment is lost, that will be the end of the matter. If the amendment is carried, I will then move to insert new section 68b (1) relating to incitement in schools. Depending on whether that is carried or lost, I will then move to insert new section 68b (2), relating to incitement by advertisement. If both are lost, the matter will stop there. If either one is carried, I will move to insert new section 68b (3). If you, Mr. Chairman, advise me that that procedure is satisfactory I shall formally move that amendment.

The CHAIRMAN: It seems to me that that is a satisfactory way of dealing with the honourable member's amendments. I take it that the honourable member will now proceed to speak to the amendments as a whole, after moving the first amendment?

The Hon. J. C. BURDETT: That is so, Sir. I move:

To strike out "section is" and insert "sections are".

If this Bill passes, the act of sodomy will be as legal as having a cup of tea or walking across the road, and even more legal than jaywalking. When the act is committed by consenting males, it will be entirely legal in every sense. Proposed new section 68b (1) provides:

Any person who within the precincts of any school advocates or encourages an unnatural sexual practice shall be guilty of an offence and liable to imprisonment for a term not exceeding one year.

At present, it is, of course, illegal to advocate or encourage the practice of sodomy in schools or anywhere else, because it is an offence against the law. However, if the Bill passes and the act of sodomy becomes a lawful act, it will not be an offence to advocate or encourage the act of sodomy within schools or anywhere else. If the community is to be protected at all it will be necessary to write this protection into the Bill.

The mover of the Bill in another place was reported in the press as saying he was not in favour of allowing male homosexuals to go into schools to advocate their way of life. Many honourable members in this place who supported the second reading of the Bill said the same thing. By this amendment, I am merely asking those honourable members to write into the Bill the sentiments that they have expressed.

I do not believe that the views of the supporters and opponents of the Bill are so very far apart. It is a matter of emphasis. The supporters of the Bill have emphasised that males indulging in sodomy in private should not be treated as criminals. The opponents of the Bill considered that the defence mechanism prevented such persons, in practice, from being prosecuted, anyway, but valued the civil protection given to the community while sodomy remained a crime, in that any kind of incitement of it was an offence. When the act becomes legal, it will become necessary to write protection into the legislation.

The Hon. Mr. Sumner suggested that arguments against the second reading of the Bill based on incitement were not valid and that it was a matter of putting the cart before the horse. I therefore trust that he will support this amendment, which is certainly not putting the cart before the horse but which is decriminalising the act of sodomy and providing this protection.

The Hon. Mr. Foster said that this was a simple Bill and that all it sought to do was decriminalise the act of sodomy. If that is all he is concerned about, I trust that he, too, will support the amendment. The honourable member cast doubts during the course of his speech on my motives for speaking on and voting against the Bill. I suggest that he can hardly cast any doubts at this time on my motives in moving these amendments.

Those honourable members who said they were concerned simply that adult homosexuals should not be prosecuted or persecuted but who expressed concern about advocating the practice to children should, it seems to me, be willing to support this amendment, which does nothing to defeat the principles that those honourable members advocate.

There is some argument regarding to what extent proselytising may induce anyone to commit the act of sodomy. It has been suggested that the sexuality of a person is determined at an early age, but I do not think it is seriously suggested that the people concerned are born that way. This has been seriously disputed. The point is that many (probably most) people of either heterosexual or homosexual proclivities control their sexual instincts. Will people of homosexual tendencies be encouraged to control their own sexual instincts if they are told, including as children at school, that there is no reason why they should do so?

Many people have bisexual instincts. I suggest that proselytising may well convert them to some extent, particularly in their formative years at school. It may be suggested that headmasters would prevent the entry into schools of homosexual groups, anyway. Certainly, I have a high regard

for most headmasters at present, and this amendment will help them keep homosexuals out of schools. If the Bill is passed and sodomy becomes an entirely legal act, it will be hard for headmasters to resist pressures to admit homosexual-proselytising groups, unless this amendment is carried.

It has been suggested to me that these amendments have been moved in relation to the wrong Act. For instance, it has been suggested that proposed new section 68b (1) should be in the Education Act and that proposed new section 68b (2) should be in the Classification of Publications Act. However, those suggestions are quite wrong. These amendments arise out of this Bill, and they are necessary because of the Bill only. If the Bill had not been passed, sodomy would have remained unlawful and these specific provisions would not have been necessary.

The amendment is, to adopt the words of Standing Order 293, relevant to the subject of the Bill and, in fact, relevant to the subject matter of the Bill as disclosed by the clauses. This amendment would not be appropriate in the Education Act, which does not contain any provisions relating to offences or penalties of this kind. In any event, I draw honourable members' attention to the fact that the Bill already seeks to amend two Acts, the Criminal Law Consolidation Act and the Police Offences Act. There is not much harm in its amending two more Acts.

If honourable members are seriously opposed to the amendments on these grounds, they may of course move to amend the title of the Bill and make the amendments apply to the other Acts that they deem to be more appropriate. I suggest that to oppose the amendments merely on these grounds would be a quibble. I have also been told that proponents of the Bill suggest that, if the Council passes the amendment, private members' time may expire in another place before there may be time for it to deal with the amendments.

The Hon. N. K. Foster: That's what it's all about: you want to stuff it up through the system.

The Hon. J. C. BURDETT: This is my opinion, and I think it would be most unworthy for any honourable member to vote against the amendment for this reason. Important social questions of this kind deserve to be dealt with on their merits, and the responsibility for this rests with the Government. I therefore hope that the Government will permit these amendments, if carried, to be discussed in the other place.

The Hon. R. C. DeGaris: If the Government supported them, it would take only three minutes in the other place.

The Hon. J. C. BURDETT: I ask honourable members who are really concerned about the prosecution or persecution of homosexuals to demonstrate their desire to protect the community by voting for the amendment. I cannot understand how, if this is their position, they can fail to vote for the amendment. The existing provisions in the Bill are not sufficient protection. While they make the act of sodomy with juveniles an offence, they would not prevent a person in a school or anyone else from advocating that the practice among adults was a proper practice. In reply to the Hon. Mr. Sumner, I point out that I do not oppose it being taught in schools that homosexual practices exist and I do not oppose the children being taught the facts of life in this regard. The amendment only attacks the advocacy or encouraging of what are defined later in the amendment as unnatural sexual practices. Proposed new section 68b (2) provides:

> Any person who publishes or causes to be published in any newspaper, journal or other publication that is available to the public (whether upon sale or otherwise) an advertisement—
>
> *(a)* that he or some other person desires or is willing, to engage in any unnatural sexual practice;
>
> or
>
> *(b)* that he or some other person seeks a partner with whom to engage in any unnatural sexual practice,
>
> shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars or imprisonment for six months.

Proposed new section 68b (3) gives the necessary definitions. At present, all such advertisements are illegal, in that they involve an incitement to sodomy. To make this position continue, if this Bill passes, this provision will have to be written in. It has been suggested that this amendment would make illegal some advertisements that already occur in, say, *Nation Review.* The amendment would not make these advertisements illegal; they are already illegal, because sodomy is a crime. They are illegal in other States where sodomy is a crime. *Nation Review* has not been prosecuted but, if the amendment is carried, the possibility of control at any time, if the authorities wish to control it, is always there.

The Hon. C. J. Sumner: Do you think that *Nation Review* should be prosecuted?

The Hon. J. C. BURDETT: No, because fortunately at present not many people read *Nation Review.* However, if this Bill passes, how could the *Advertiser,* the *News,* the *Sunday Mail,* or other reputable newspapers with a large circulation refuse to publish such advertisements? After all, these advertisements would be just as lawful as is an advertisement to sell a motor car or to publicise a church service or a political meeting. If the amendment is carried, such newspapers would have good grounds for rejecting such advertisements.

The Hon. N. K. Foster: The newspapers have no morals when it comes to big business and balance sheets.

The Hon. J. C. BURDETT: If the honourable member is so sure of that, he should vote for the amendment and give the newspapers the chance to prove it.

The Hon. N. K. Foster: You are trying to compare the morals of the *Advertiser* with those of other newspapers.

The Hon. J. C. BURDETT: I have simply said that the *Advertiser,* being a respectable newspaper, deserves to be given proper grounds for rejecting these advertisements if it wishes to do so. It has been said, "What is the use of the law if it is not enforced?" The criminal law has never been devised purely to enable prosecutions.

The Hon. N. K. Foster: What is the good of a law if it is not enforced?

The Hon. J. C. BURDETT: I repeat that the criminal law has never been devised purely to enable prosecutions. The preventive aspect of the criminal law has always been just as important as has the preventive aspect of medicine. This amendment is necessary to give respectable newspapers a ground for rejecting such advertisements.

The Hon. F. T. Blevins: The newspapers do not reject advertisements for massage parlours, do they?

The Hon. J. C. BURDETT: I do not know, because I have not looked at them. Perhaps the honourable member knows.

The Hon. R. C. DeGaris: Is there anything illegal about massage parlours?

The Hon. F. T. Blevins: No.

The Hon. J. C. BURDETT: Perhaps it is a pity that the Minister of Health does not look more closely into the question of massage parlours. We are dealing with the question of sodomy and with some protections for the public that I am endeavouring to write into the Bill. I suggest

that honourable members who oppose the substantial aspects of the amendment (regarding incitement in schools and incitement in advertisements) should vote against the first amendment. If those honourable members succeed, the matter will stop there. Further, I suggest that honourable members who support either or both of the substantial amendments should vote for the first amendment. If that is carried, we will proceed to the two substantial amendments. I have spoken on the whole aspect of the matter, and I suggest that any honourable members who wish to do so should do the same.

The Hon. ANNE LEVY: I oppose the amendment and urge honourable members to vote against it, so that the two substantial provisions will lapse. I refer first to the question of the incitement of unnatural sexual practices in schools. I fully appreciate the motives behind the amendment and, like everyone else in our community, I am concerned about what takes place in our schools. However, I do not believe that this amendment is the right way of achieving what the Hon. Mr. Burdett and others wish to achieve. The amendment contains the term "any person"; so, there is no limitation on age. Does this mean that, if two small children from grade I go behind the bushes at lunchtime, as indeed they do, they are committing a criminal offence and can be charged? According to the Hon. Mr. Burdett's amendment, they could—it does not say "adult persons", it just mentions "persons".

Secondly, how do we interpret the words "advocate or encourage"? It seems to me that what is regarded as a statement of fact by one person is taken as encouragement by another. We need only consider, say, an art class in any school, where the art of Leonardo da Vinci or Michelangelo is being studied and a picture of the Sistine Chapel is being looked at; someone asks, "Is it true that Michelangelo was a homosexual?" and the teacher says "Yes". To many people, this would be a statement of fact, but many others would regard this as an encouragement of homosexual acts. Michelangelo having been praised and held up as a model for the children in the class, this would be regarded as encouragement to commit sodomy, in the eyes of many people. I suggest such a situation would be absolutely ridiculous.

What is the situation of an English teacher when, after years of discussing Shakespeare in the class, someone proposes that perhaps Shakespeare was a homosexual, and a practising one. In English classes, this should be a matter of legitimate discussion, as it is in English Criticism. Is the teacher not allowed to say, "Yes; some people think Shakespeare was a homosexual"? This could be regarded as encouraging children towards homosexuality, the teacher having praised Shakespeare for his contribution to English literature.

We can imagine another example in the health education courses where sex education is being discussed. I am glad to hear the Hon. Mr. Burdett say that naturally in such classes the existence of homosexuality can be admitted without being regarded as an incitement. But it is not only this that needs to be considered. The "unnatural sexual practice", as defined in subsection (3) of the proposed new section 68b includes "an act of buggery between persons of the same or different sexes". In other words, it could be regarded as an incitement on the part of any biology teacher to suggest that married couples sometimes had intercourse anally.

The Hon. J. C. Burdett: One has to encourage or advocate.

The Hon. ANNE LEVY: Many people would take it that the fact of mentioning that married couples behave in this way is an encouragement at least to experiment. This deals with the wording of the section. Apart from the actual words, I am not suggesting that immoral practices should be encouraged within our schools, but I do not think this Bill is the place for this. This is the sexual offences section of the criminal law. Something relating to what happens in classrooms at our schools comes under the Education Act, not this Act. The Hon. Mr. Burdett is at complete liberty to move an amendment to the Education Act by a private member's Bill whenever he chooses to do so, and that would be given due consideration by this Council.

It is not correct to say the Education Act does not apply penalties: penalties are provided for in the Education Act. Sections there dealing with penalties for improper behaviour are quite proper and would be no precedent. Finally, regarding the first subsection of the proposed new section, I have discussed this with the Minister of Education. He has assured me that the Education Department is considering amendments to regulations under the Education Act with regard to proselytising of immoral behaviour of all types within our schools in South Australia, and it is likely that new regulations will shortly be proclaimed relating to this matter.

Turning to subsection (2) of the Hon. Mr. Burdett's proposed amendment, with regard to advertisements, I oppose this strongly. I do not even approve of the principle behind it, unlike the first subsection. Such a provision is unnecessary. It can, of course, have no effect on publications, such as *Nation Review,* published in other States, because of section 92 of the Australian Constitution. With regard to South Australian publications, one could regard this as an interference with the freedom of the press to publish whatever it thinks appropriate and in good taste. It is not correct to say that the *Advertiser* or the *News* do not publish advertisements of this type now because sodomy is illegal: they do not publish them because they do not believe they are in good taste or wanted by the majority of their readers. I see no reason why this should change. Something does not have to be illegal for advertisements not to appear. In this regard, I could cite the example of contraceptives. Advertising contraceptives is not illegal in this State, unlike other places in Australia, yet our newspapers do not carry advertisements for contraceptives, presumably because they think they are not in good taste. There is no legal prohibition on doing so, yet they do not do it. I do not think that argument carries any weight. If the Hon. Mr. Burdett really wishes to pursue such matters (which have nothing to do with sexual offences in the criminal law), the place for such an amendment is not in this Bill; it should be the topic of an amendment to the Classification of Publications Act. Again, if the Hon. Mr. Burdett wishes to move an amendment to that Act, I am sure it will be given consideration in due course by this Council.

I certainly do not doubt the sincerity of the Hon. Mr. Burdett in moving this amendment. His opposition to this Bill is well known. He showed by his vote in the second reading that he opposed the whole concept of the Bill, and I am sure he would much prefer the measure to be defeated rather than amended and passed. I think this could be regarded as a delaying tactic, hoping for a deadlock between the two Houses of Parliament on a contentiously worded amendment such as the current one, which could result in the lapsing of the Bill; in other words, defeat by tactics other than on the floor of the House.

However, I appreciate the motives behind the first part of the amendment. I respect those motives, and I am sure the majority of honourable members in this place do likewise. I oppose this measure, not on the principle of what it is trying to achieve, but because it does not achieve what it sets out to do, that it is an inappropriate place in which to do it, and that the Minister of Education is already considering this matter. This I hope, will set at rest the minds of people concerned about it. I oppose the amendment.

The Hon. J. C. BURDETT: I take some offence at the suggestion that these amendments were a delaying tactic; they were not. True, I oppose the whole principle of the Bill, but if the Bill is to be passed (and the indication at the second reading, although the third reading may be different, gives me some fears that it may be passed) I prefer it to be passed with these amendments included rather than not included. It is as simple as that. There was no question of a delaying tactic. It is in the hands of the Government; it is not my Bill, and it is not my fault that the Bill came before the Council at this stage or that there is danger of private members' time being cut off in the other place.

The Hon. D. H. L. Banfield: What do you mean when you say it is the fault of the Government? Come on!

The Hon. J. C. BURDETT: It is the responsibility of the Government. It decides when private members' business in another place shall stop. I do not.

The Hon. D. H. L. Banfield: You suggested the Government delayed its coming to this place.

The Hon. J. C. BURDETT: No, I said it is not my fault that the Bill came to this Chamber at this relatively late stage. To suggest that I am engaging in delaying tactics, because I am doing what is the right of every member with any Bill that comes before us in relation to amendments, is something I find offensive.

The Hon. N. K. Foster: You just use the system for your own ends.

The Hon. J. C. BURDETT: I am not using the system for my own ends. When a Bill is brought before this Council, it is the prerogative of any member to move an amendment if he believes the Bill would be better amended. It is precisely for this reason, and not for any other, that I have moved these amendments. This amendment would not mean that children going behind bushes and engaging in an unnatural practice would be guilty of an offence. What is required is the advocating or encouragement of it, and such small children would probably not be capable of that. As to the question of the meaning of the words "encourage or advocate", the Hon. Anne Levy gave several examples of Shakespeare, Leonardo da Vinci, and so on. They were all quite inappropriate. It would have to be proven beyond reasonable doubt that there was an advocating and encouragement, and of course the common law requirement of guilty intent with *mens rea* would apply. It would have to be shown that the person had the intention of advocating or encouraging the unnatural practice.

Certainly, if people actively and with guilty intent encourage or advocate such practices in schools they should be prosecuted, but I rely very much on the preventive aspect of this. It will give headmasters the power to prevent homosexual groups from coming into schools and advocating or encouraging such practices. The alternative which seems to be proposed by the Hon. Anne Levy is to leave the Bill as it is. If she objects to the wording of the amendment, she can move her own amendment to give the necessary protection, or she can amend the amendment. A considerable part of what she said was directed to the suggestion that the appropriate place to make these provisions was in the Education Act or in the Classification of Publications Act. I dealt with that fairly fully earlier, and I shall not repeat what I said then. I am not in any way impressed with what the Minister of Education says. Our task is not to rely on his vicarious undertaking to consider regulations. We are not even assured that he will do so, and we do not know what the regulations are. There is simply an undertaking given or a statement made by the Hon. Anne Levy that he intends to consider such regulations. There is no guarantee, and our task is to deal with this Bill.

The Hon. N. K. FOSTER: I rise because of what the previous speaker has said. He mentioned that it was not his responsibility, and so on, and he spoke of what the Minister might say.

The Hon. J. C. Burdett: I did not use the term "my responsibility" in regard to the Minister.

The Hon. N. K. FOSTER: The honourable member should take his legalistic and retentive memory elsewhere.

The Hon. J. C. Burdett: I know what I said.

The Hon. N. K. FOSTER: All right. We will read it tomorrow in *Hansard.* Those good people sit aloft in this place to take down every spoken word, so we can look at it then. If a private member's Bill is carried, the Government has a responsibility to ensure, with the carriage of the Bill, that some parts of it may need to be looked at again. That is the thing the Hon. Mr. Burdett has said so much and yet so little about. The amendment is probably more suited, as the Hon. Anne Levy has said, to a regulation or to the Education Act itself. I do not suggest there is no agreement with what he has put forward on this side of the House, but to attempt to push it to this end conclusion in this debate is somewhat unfair if he accepts that the Government will have a responsibility in due course regarding this matter and will need to ensure the protection that the carriage of the Bill requires. It will, of course, apply itself to the protection of people within the community, people of any political persuasion. In this case, of course, the Bill will come to the attention of the other place. Members of the political persuasion of Opposition members here will be able to put forward their point of view in that other place, but in this Chamber, although it is so often said that there is a traditional role to amend things in the way considered most suitable, thinking people realise that the system lends itself to amending legislation out of existence.

The Hon. J. C. Burdett: You can hardly say that about this amendment.

The Hon. N. K. FOSTER: I am still belabouring the point and endeavouring to get the point through to the honourable member. What I have said would apply especially in relation to a private member's Bill. He knows, as I do, that a Bill can be amended in this or any other Upper House, going through the scale of events to come before the Lower House again; or a Bill passed in the Lower House can be received by the Upper House, accepted by the Government and presented by one of its Ministers.

I urge the honourable member to regard this very seriously, as I do; the amendment he moves would receive every consideration. He should take his mind one plane higher. The Government will have a responsibility if the Bill is passed in this place. He should regard that as being more essential in the case of a private member's Bill than in the case of a Bill introduced in the normal course of

events. I implore the honourable member to accept that the Government has a responsibility, no matter what its political persuasion.

The Hon. C. J. SUMNER: I oppose the amendment, but not because I do not have a considerable amount of sympathy for the intention of the mover, at least in relation to new section 68b (1) relating to incitement in schools. I believe the intention is a reasonable one and that the Government should do something about it.

The Hon. R. C. DeGaris: Do you think Parliament should do something about it?

The Hon. C. J. SUMNER: Yes. I believe it would be premature at this stage to pass this amendment, because it does deal with education and the rights of people within schools. To consider this amendment in isolation—

The Hon. R. C. DeGaris: Outside schools, too.

The Hon. C. J. SUMNER: Within school precincts, in and around schools. I take that somewhat pedantic point. I believe that this problem should be seen in the context of the school, in the context of education policy and, especially, in the context of the teaching of homosexuality as a social phenomenon. To pass this Bill without reference to the Education Department, the Minister of Education and headmasters of schools, in so far as they are concerned with the curricula, would be a mistake at this time. More consideration needs to be given to this.

The other question I wish to put to the Hon. Mr. Burdett relates to the first part of his amendment and whether or not it is substantially covered by the existing law. There are still homosexual offences in relation to juveniles. Surely going into a school and advocating and encouraging would be an incitement to commit such juvenile offences. I am vague about why the honourable member believes the existing law would not cover this situation.

The Hon. R. C. DeGaris: Can you show me where it is covered?

The Hon. C. J. SUMNER: There is an offence in the Act.

The Hon. R. C. DeGaris: Can you show me where it is?

The Hon. C. J. SUMNER: The carnal knowledge offence.

The Hon. R. C. DeGaris: How does that apply?

The Hon. C. J. SUMNER: If there is an incitement to commit that offence in the schoolgrounds or within the precincts of the schoolgrounds, I would have thought that that constituted an offence. In other words, the existing law covers the situation. The Hon. Mr. Burdett said he had covered that point, but I am not convinced that there is a great gap that has to be filled in this area. As to the second part of the honourable member's amendment relating to advertising in newspapers, I oppose this amendment on principle. I believe that as adults we should be able to make up our own minds and resist any approaches made through newspapers. I said this in the second reading debate, and I now merely emphasise the point and point out that I have no real sympathy for the second part of the amendment.

The Hon. R. C. DeGARIS: I am at a loss to know what the Hon. Mr. Foster was talking about. I feel that his approach is naive in the extreme in expecting Parliament dealing with a Bill of such a specific nature—

The Hon. N. K. Foster: I said it was a private member's Bill. Don't start by being too smart by half. I said it was a private member's Bill, which is different from normal Government business transmitted from one House to another, and you damn well know it.

The Hon. R. C. DeGARIS: I will start again. I could not understand what the Hon. Mr. Foster was talking about.

The Hon. N. K. Foster: That does not surprise me; nor does it surprise any other clear-thinking person.

The Hon. R. C. DeGARIS: I will start again. I did not understand what the Hon. Mr. Foster was talking about: I believe his approach is naive. We are considering a Bill, be it a private member's Bill or a Government Bill, which changes the law specifically in relation to the act of sodomy. Has the Hon. Mr. Sumner—

The Hon. N. K. Foster: We are dealing with an amendment.

The CHAIRMAN: Order! Repeated interruptions are out of order.

The Hon. N. K. Foster: They should be.

The Hon. R. C. DeGARIS: The Hon. Mr. Sumner said that he had sympathy for the amendment, that the amendment was reasonable, but he considered that it was premature. How can someone say such a thing when we have a Bill before us which completely reconstructs the law? The honourable member admits the amendment is a reasonable one, and he admits that he is sympathetic towards it, yet he says it is not in the correct—

The Hon. C. J. SUMNER: On a point of order, Mr. Chairman, I am being misrepresented. I did not say that I thought the amendment as such was a reasonable one. I said I had a considerable amount of sympathy with the intention behind it, but I criticised the amendment, as you, Mr. Chairman, are well aware.

The CHAIRMAN: I do not think that is a point of order, but it is a matter of personal explanation which the honourable member has now got on the record.

The Hon. R. C. DeGARIS: Is the Hon. Mr. Sumner sympathetic towards the amendment?

The Hon. C. J. SUMNER: I am sympathetic to the intention behind the amendment but not to the amendment in this form.

The CHAIRMAN: The honourable member has said this before.

The Hon. R. C. DeGARIS: If this Committee was concerned about the amendment being included in the Bill affecting the Government's accepting it in another place, I believe we would not be fulfilling our job in this Chamber. The Government, if it is inclined towards the Bill being accepted, has only to make three minutes of time available, as it has done in regard to private members' Bills previously when such Bills have gone from this Council back to another place, even when private members' business has closed. The Government has made the time available for the handling of a specific Bill.

It appears that the Government has told the people that it is short of legislation anyway, and that the Parliamentary Counsel cannot keep up with the legislative programme. If one wants to examine the question of obstruction (and this was referred to in relation to the Hon. Mr. Burdett's amendments) then the Government's attitude has been obstructive to the passage of the Bill. I believe that the Hon. Mr. Burdett's amendment in relation to the question of advocation and encouragement in and around the precincts of schools does not go far enough, but I am willing to support it. I believe it should cover any organisation attended by minors, such as the Service to Youth Council and similar organisations where advocation will obviously take place in these matters.

I believe that both the submissions of the Hon. Mr. Foster and the Hon. Mr. Sumner on this amendment are hardly valid. This amendment belongs in this legislation now before us: it does not belong in the Education Act. When one talks about obstruction, the matter of including something concerning this matter in the Education Act appears to me to be totally irrelevant to the matter before the Council.

The Hon. C. J. Sumner: Am I not going to receive a reply from the Hon. Mr. Burdett?

The CHAIRMAN: This is a procedural matter and, following its passage, it will be possible to submit proposed new section 68b in two parts. The question before the Committee is that the words "section is" be struck out and the words "sections are" be inserted. For the question say "Aye", against say "No". I think the "Noes" have it.

The Hon. J. C. Burdett: Divide!

The Committee divided on the amendment:

Ayes (8)—The Hons. J. C. Burdett (teller), T. M. Casey, Jessie Cooper, R. C. DeGaris, R. A. Geddes, C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Noes (10)—The Hons. D. H. L. Banfield, F. T. Blevins, M. B. Cameron, J. A. Carnie, B. A. Chatterton, J. R. Cornwall, C. W. Creedon, N. K. Foster, Anne Levy (teller), and C. J. Sumner.

Pair—Aye—The Hon. M. B. Dawkins. No—The Hon. J. E. Dunford.

Majority of 2 for the Noes.

Amendment thus negatived.

Clause passed.

Clauses 30 to 38 passed.

Clause 39—"Living on the earnings of prostitution."

The Hon. C. M. HILL: I move:

To strike out paragraphs *(a)*, *(d)* and *(e)*.

I noticed when I reviewed the Bill that the effect of the paragraphs that I am seeking to strike out had already been removed in the parent Act in 1972. I consider that they were included in this Bill in error, and I have therefore moved that the matter be put right by the deletion of these paragraphs.

The Hon. ANNE LEVY: I support the amendments.

Amendments carried; clause as amended passed.

Clause 40 and title passed.

The Council divided on the third reading:

Ayes (12)—The Hons. D. H. L. Banfield, F. T. Blevins, M. B. Cameron, J. A. Carnie, B. A. Chatterton, J. R. Cornwall, C. W. Creedon, N. K. Foster, C. M. Hill, D. H. Laidlaw, Anne Levy (teller), and C. J. Sumner.

Noes (6)—The Hons. J. C. Burdett (teller), T. M. Casey, Jessie Cooper, R. C. DeGaris, R. A. Geddes, and A. M. Whyte.

Pair—Aye—The Hon. J. E. Dunford. No—The Hon. M. B. Dawkins.

Majority of 6 for the Ayes.

Third reading thus carried.

Bill passed.

CONSTITUTION ACT AMENDMENT BILL (MINISTERS)

Adjourned debate on second reading.

(Continued from September 16. Page 744.)

The Hon. J. C. BURDETT: I rise to speak to the second reading of the Bill. The principal reason given for its introduction was that, in the present state of the law, all the Ministers could come from the Legislative Council. If wishes were horses, beggars would ride. The two possibilities are about on a par. If that is the reason for the legislation, it is merely legislation to remove a theoretical possibility which any realist knows would not arise in practice. The Hon. Mr. Cameron suggested that no Ministers should come from this Council and proposed a procedure whereby he claimed Parliament could function in this way. I hasten to acknowledge, as did the honourable member, that this Bill does not necessarily produce this effect. As far as I am aware, the only bicameral Parliament in the Westminster system that does not have Ministers in the second Chamber is the Tasmanian Parliament.

It is, of course, difficult to make critical examinations and comparisons of different Parliaments, but any proposition that the Tasmanian Parliament has functioned any better than other Parliaments could not be sustained. That is to put it in the most conservative fashion. I think it is essential to have Ministers in the second Chamber, as members of such Chamber, not only for the reasons given in this debate but also for the general reason of maintaining real and constant touch and contact between the Council and the Government. Important as the role of a House of Review is, it does not make the review any better to carry it out in a sort of splendid isolation from the views of the Government.

The suggestion was made that Ministers could come from the other place to answer questions or supervise the passage of their legislation. I think it does make a difference that they would not be members of this Chamber. In any event, I cannot contemplate with equanimity the spectacle of Ministers of the Crown dancing backwards and forwards between the two Chambers to the tune of the division bells. Having some Ministers in the Council gives the Government the opportunity to use the whole range of talent available to it, and that is important in what is a comparatively small Parliament.

In my Address in Reply speech, I spoke of the functions of the Legislative Council. I said then that, while the principal role was to have a second critical look at legislation passed in another place, it also had an important initiating role. For the efficient operating of Parliament, apart from anything else, it is obviously more efficient and alleviates delays if some legislation is introduced in each Chamber at the same time. Since this Bill has been introduced, apparently to prevent the dreadful possibility of all Ministers being appointed from this Council, I think we could consider amending the Bill to provide more comprehensive and realistic guidelines to the Government Party without unduly restricting its right to choose its own Ministry. For the purpose of enabling such amendments to be considered, I support the second reading of the Bill.

The Hon. M. B. CAMERON: I thank honourable members for the consideration they have given to the Bill. One or two points in my second reading explanation were ignored by honourable members, particularly the point that this Bill had the unanimous support of all members of the Lower House, including all members from all political persuasions represented in this Council.

The Hon. C. M. Hill: Was there a division in the Lower House?

The Hon. M. B. CAMERON: No. I assume that there was no opposition there because there was no voice against the Bill. This Bill changes the long-standing requirement that only a specified number of Ministers may come from the House of Assembly, whereas there is no restriction on what percentage of the Ministry may come from this Council. I trust it will receive favourable consideration from honourable members.

The PRESIDENT: Before putting the question for the second reading of this Bill, I should like to inform honourable members that I have examined the precedents in respect of Constitution Bills dealing with the number of Ministers and salaries payable (section 65). I have found that, although absolute majorities have been insisted on at the second and third readings of the Bills in both Houses, such Bills have not been reserved for Royal Assent since 1965. I have also taken legal advice on the question, and I am satisfied that this Bill should be dealt with in the normal way; that is, without requiring the concurrence of an absolute majority at the second and third reading stages. I put the question: "That this Bill be now read a second time."

Bill read a second time.

Clause 1 passed.

Clause 2—"Number of Ministers of the Crown."

The Hon. R. C. DeGARIS (Leader of the Opposition): I move:

To strike out "more than eight of the Ministers shall at one time be members of the House of Assembly" and insert "less than three of the Ministers shall at any time be members of the Legislative Council and not less than seven of the Ministers shall at any time be members of the House of Assembly".

This Bill does not correct anything at all. If the existing provision in the principal Act is contradictory and ridiculous, this Bill leaves it in exactly the same position. My amendment overcomes the so-called contradictory and ridiculous position in the principal Act, if such a position exists, and my amendment also overcomes such a position in this Bill. There is no constitutional provision that there shall be Ministers in the House of Assembly or that there shall be Ministers in this Council. The only constitutional provision is that not more than eight of the Ministers shall at one time be members of the House of Assembly. Any move toward having no Ministers in either House would be ridiculous. Operating this Council without any direct Cabinet representation would also be ridiculous.

The Hon. M. B. CAMERON: I ask the Committee not to support the amendment, which cuts across the spirit of the Bill. We should leave it entirely in the hands of the Government as to where it obtains its Ministers. If the amendment is defeated, the situation I have described will be achieved.

The Hon. C. M. HILL: I support the amendment. The Hon. Mr. Cameron mentioned the spirit of the Bill. If there is any spirit involved, it is a mischievous spirit in regard to this Bill. I am convinced that the continued provision of Ministers in this Council is in the best interests of Parliament now and in the future. The amendment ensures that Ministers will continue to be members of this Council. If we raise our sights above the mischievous spirit—

The Hon. M. B. Cameron: In the Lower House.

The Hon. C. M. HILL: That spirit was there when this Bill was debated there. If we raise our sights and seriously consider the interests of Parliament, we should support the amendment.

The Hon. R. C. DeGARIS: I would like to hear what Government members think of this matter. The Hon. Mr. Cameron knows that this Bill loads both barrels of the deadlock provisions of the Constitution. Therefore, we should be told the Government's attitude on the matter. Perhaps the Government may not like the idea of three Ministers coming from this Council. I would like to know what the Government thinks of the idea of there being no Ministers in this Council or of there being no Ministers in the House of Assembly.

The Hon. D. H. L. BANFIELD (Minister of Health): There is no doubt where the Government stands on this question. We on this side support the Bill as it is. I believe that any Government that is a responsible Government, if it is elected—

The Hon. R. C. DeGaris: That is not necessarily so. It has not happened in other parts of the world.

The Hon. D. H. L. BANFIELD: Yes, but I have faith in the people of South Australia and in any Government here to be a responsible Government. I think the Government has a right to select its Ministers from wherever it wants them to be selected from. For those reasons, I support the Bill and oppose the amendment.

The Committee divided on the amendment:

Ayes (7)—The Hons. J. C. Burdett, Jessie Cooper, R. C. DeGaris (teller), R. A. Geddes, C. M. Hill, D. H. Laidlaw, and A. M. Whyte.

Noes (10)—The Hons. D. H. L. Banfield, M. B. Cameron (teller), T. M. Casey, B. A. Chatterton, J. R. Cornwall, C. W. Creedon, J. E. Dunford, N. K. Foster, Anne Levy, and C. J. Sumner.

Pair—Aye—The Hon. M. B. Dawkins. No—The Hon. J. A. Carnie.

Majority of 3 for the Noes.

Amendment thus negatived.

Clause passed.

Title passed.

The Hon. M. B. CAMERON moved:

That this Bill be now read a third time.

The Hon. R. C. DeGARIS (Leader of the Opposition): I would like to express my view on the Bill at the third reading stage. I am disappointed in the Council in that it has seen fit to pass a Bill that does absolutely nothing to the Constitution Act and does not overcome the alleged ridiculous and contradictory situation that the second reading explanation tried to explain. I am somewhat disappointed that the Council has seen fit to pass the Bill without understanding that it does not in any way overcome the existing so-called contradictory or ridiculous situation in the Constitution Act.

Bill read a third time and passed.

APPROPRIATION BILL (NO. 2)

Received from the House of Assembly and read a first time.

The Hon. D. H. L. BANFIELD (Minister of Health): I move:

That this Bill be now read a second time.

I remind honourable members that Parliamentary Paper No. 7 showing the Estimates of Revenue, Paper No. 9 showing the Estimates of Expenditure, and Paper No. 18 containing the Treasurer's Financial Statement when moving the second reading of the Appropriation Bill (No. 2) in the House of Assembly on August 28 last, were distributed to all members of the Council on August 28. As the Treasurer's speech is recorded in *Hansard* of August 28 at pages 539 to 550, I do not propose rereading the speech to the Council but seek leave to have that speech incorporated in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF BILL

I present the Government's Revenue Budget proposals for 1975-76 which forecast a balanced Budget result, with aggregate receipts and aggregate payments each

expected to be about $1 051 000 000. The forecast of payments comprises detailed provisions of $953 000 000 at wage and salary rates and approximate price levels estimated to be effective at June 30, 1975, a round sum of $82 000 000 for the possible cost of new salary and wage rate approvals which may become effective during the course of the year, and a round sum of $16 000 000 for the possible cost of further increases during the year in prices of supplies and services.

The necessary detailed appropriations for future wage awards will be arranged under a special provision which is included in the main Appropriation Bill each year. Where departments are able to demonstrate that increases in costs of supplies and services are greater than the allowances included in their detailed appropriations, extra funds will be made available from the round sum allowance of $16 000 000. There is no special provision in the Appropriation Bill to cover this procedure, so that it will be necessary to call on the authority of the Governor's Appropriation Fund and eventually of Supplementary Estimates.

Consolidated Revenue Account: As to the longer-term movements and trends in the Consolidated Revenue Account, I reported to the House 12 months ago that the accumulated deficit at June 30, 1974, was only $500 000. However, we were aware that the Grants Commission had recommended a completion grant of $8 500 000 in respect of the 1972-73 year and that this would be paid in full shortly. Therefore, the 1974-75 Revenue Budget was planned in the knowledge that the accumulated result in cash terms was effectively a useful surplus of about $8 000 000.

That was not a new situation within the State, because under my Treasurership there has been a very careful management of income and expenditure, so careful, in fact, that consistently while we were under the Grants Commission this State recorded Budget results which then led the Grants Commission not to provide certain of the moneys assessed to the State for us, because it considered our Budget results were better than standard and that we did not require the moneys from the commission as against deficits. That has consistently been the situation in this State. There has been very conservative accounting and budgeting done by this Government. At all stages during the history of my Treasurership, when it seemed financial circumstances were altered and they required additional revenue, I did not at any stage hesitate to come to the Parliament and seek that additional revenue in order to see to it that the State's accounts were kept in the best state of any in Australia. That has been consistently the case, and it has been extraordinary that some Opposition members have been willing to go to the media, and that the media has been willing to put forward that this State was mismanaged financially and was faced with financial disaster. No State in the terms of its Budget has been better managed than this one.

The Budget forecast for 1974-1975 was for a deficit of $12 000 000, after making provision for two factors which could not be estimated accurately. The first, on the payments side of the Budget, was a round sum allowance of $30 000 000 for future wage and salary awards. The second, on the receipts side, was the inclusion of a special grant which we hoped might be about $6 000 000. Then, because of a series of adverse factors, it seemed quite early in the year that the deficit could move as high as $36 000 000, if no corrective action was taken. Following the introduction of new taxes, the prospective deficit was contained in part and later, as a result of extra grants secured at a Premiers' Conference held in February, the picture was improved further. Finally, the arrangements for the transfer of the non-metropolitan railways to the Australian Government led to the payment by that Government of additional grants of $20 000 000 in respect of 1974-75 (and of $6 400 000 in respect of previous years).

That is the money the Grants Commission had not paid out and would not have paid to us in respect of this year, even if we had not had the agreement to get out of the commission, because we were better than the Budget standard. The final result of all the changing factors was that the actual result for 1974-75 was a surplus of $8 400 000. An attachment to the printed Financial Statement gives details of the major movements and trends last year.

The recorded deficit of $500 000 at June 30, 1974, the subsequent receipt of a completion grant of $8 500 000, the achievement of a useful surplus of $8 400 000 in 1974-75, and the receipt of $6 400 000 of further completion grants in respect of 1970-71 and 1971-72 (as a result of the railway transfer arrangements) have resulted in an accumulated surplus of $22 800 000 being recorded on Consolidated Revenue Account at June 30, 1975. The Prime Minister has informed me that the Grants Commission has recommended the payment to South Australia of a completion grant of $2 500 000 in respect of 1973-74. Accordingly, we are able to plan the 1975-76 Budget against the background of a very useful effective surplus of $25 300 000, the best financial situation in this State's history.

Loan Account: Two weeks ago I introduced the Public Purposes Loan Bill and the Loan Estimates for 1975-76. The Loan documents showed that at June 30, 1975, the accumulated balance of Loan funds held was about $1 900 000. The proposals for the State's capital programme envisaged the use of all new borrowings and all recoveries expected to become available during the year and the use of the small opening balance only to meet urgent and unforeseen needs which might occur. However, support from the recent Australian Government Budget has fallen below our expectations, and it will be difficult to avoid some overspending on Loan Account in 1975-76. Happily, because we begin 1975-76 with a useful revenue surplus on hand and the prospects of a balanced Revenue Budget for the year, there is no requirement to attempt to hold Loan funds to support revenue purposes. We are in a different position from the other States, most of which (certainly Victoria, New South Wales and Western Australia) were forced to hold substantial amounts of Loan money as against revenue deficits.

The transfer of the non-metropolitan railways: The arrangements to transfer the non-metropolitan railways to the Australian Government have been a most important factor in the framing of this Budget. Put at its simplest, I can say that the direct benefit to the 1974-75 Budget, apart form the Grants Commission arrangements, was $10 000 000 as a result of our receiving a special payment in consideration of land, minerals and other assets, while the direct benefit in 1975-76 will be of the order of $31 000 000, which is derived from a special amount of $25 000 000 in consideration of land, minerals and other assets, built into the base of the financial assistance grants and escalated in accordance with the formula. People were going all around South Australia saying that we were getting only $10 000 000 in payment for the railways. As a result of these major benefits to Revenue Account, the Government has been able to afford the repeal of the petrol franchise tax.

I point out that, because it will take some time to complete arrangements for transfer of staff and associated matters, the South Australian railways administration will remain much as it is for the moment and the State will act as agent of the Australian Government in the operation of the non-metropolitan system. I have thought it best, for purposes of the 1975-76 accounts, to retain the existing appropriation procedures for the whole of the railways operations and to take to the credit of Revenue Account the reimbursement from the Australian National Railways Commission in respect of the non-metropolitan deficit.

The Grants Commission: Associated with the agreement to transfer the non-metropolitan railways was an arrangement for South Australia to become a non-claimant State. As a result, we received last year a completion grant of $10 000 000 without further review by the Grants Commission. We had received already an advance grant of $15 000 000, so that the total special grant received in respect of 1974-75 was $25 000 000. Additional to this was the receipt of $6 400 000 of further completion grants on account of the years 1970-71 and 1971-72. These had been withheld from payment in line with recommendations of the commission and in keeping with the commission's former cautious attitude towards placing a claimant State in a position of significant Budget surplus.

Earlier in 1974-75, prior to the railways transfer agreement being negotiated, the State had received a completion grant of $8 500 000 on account of 1972-73. Accordingly, the only matter outstanding in respect of the whole period from July 1, 1970, to June 30, 1975, is a completion grant on account of the year 1973-74. The Prime Minister has announced that the Grants Commission has recommended payment of $2 500 000 to settle that matter and we may expect to receive the grant shortly. In getting $10 000 000 of completion grant built into our annual payment without review by the Grants Commission, I am doing a pretty good deal when, in fact, the grant for this year was $2 500 000.

As to 1975-76 and the future, the total of $25 000 000 of special grants actually received on account of 1974-75 is to be built into the base of the financial assistance grants and escalated in accordance with the formula. The State has now withdrawn its application for a special grant in 1975-76 and hopefully will have no further need for special assistance. However, it is not possible to see the future so clearly as to be able to say that South Australia will never be claimant again. The way has been left open for us to make a submission to the commission in respect of a future year if South Australia's financial position should deteriorate relative to that of New South Wales and Victoria and if the making of such a submission should appear to be in our best interests. I got the amounts we were getting from the commission built into the base of our formula and got a better deal in connection with being bought out of the commission than any other State has got; but though I have got that already for us, we are still able to take advantage of the commission if in future we should consider it proper to do so.

May I remind members that South Australia was a claimant State from 1934 until 1959. As a result of an agreed increase in the financial assistance grant in that year, the State was able to operate without the aid of special grants for a period of 11 years until 1970. Then, because of the deterioration which had occurred in our financial situation relative to that of the bigger States, we applied to the Grants Commission for assistance again. For a period of five years the State has been claimant. In my contacts with the commission and from my understanding of the commission's conduct of hearings and investigations, I have been most impressed with the efficient, courteous and fair way in which the commission has arrived at its recommendations. On behalf of South Australia, I thank the commission for the financial benefits, and thus the improved services, which have flowed from its recommendations and for the manner in which it has carried out its work.

Medibank: The financial problems of the 1975-76 Budget have been eased considerably by the State entering into an agreement with the Australian Government to conduct and finance its hospital system under the Medibank arrangements. Under the agreement the Australian Government and the State will each meet half of the net operating costs of recognised hospitals. Under the previous arrangements the State had been responsible for almost two-thirds of operating costs and, with the continued escalation of costs, it had become increasingly difficult to raise fees in order to avoid an increase in the proportion of cost falling on the Revenue Budget. The net financial benefit to the State in 1975-76 is estimated to be of the order of $25 000 000 but for a number of reasons it is not possible to give this estimate with confidence. I have explained some of the uncertainties in the payments section of the printed Financial Statement when dealing with the Hospitals Department and grants to hospitals under "Minister of Health—Miscellaneous". The Government was delighted to become a partner to the Medibank arrangements which are designed to bring improved standards of health care within the reach of all Australians.

Financial assistance grants: The early planning and forecasting of the 1975-76 Revenue Budget took place in a climate of uncertainty as to what might be done to improve the financial assistance grants arrangements. A major review of the grants and associated financial measures had been made in 1970 and, while the legislation of the Australian Government had continuing effect without limitation in time, it provided for a review after five years, if Governments so wished.

It was the unanimous wish of State Governments that the system of grants be reviewed and improved. During the course of 1974-75 there occurred a long series of meetings of Treasury officers in the first place and then of Premiers. The Premiers, after considering the material put before them by their Treasury officers, made a submission to the Prime Minister suggesting improvements to the base and to the formula, so as to yield greater grants in 1975-76 and future years to assist in meeting Revenue Budget problems which were becoming more serious year by year. The core of the Premiers' submission was that:

(1) all States had made considerable efforts to help themselves by increasing their own revenues with new and increased taxes and charges;

(2) on the expenditure side of Budgets there was little scope for further economy and, in fact, every expert committee which reviewed the needs of particular areas recommended that more be done;

(3) the effects of inflation on State Budgets were particularly severe because the costs of wage increases were covered only in part by increased receipts from grants and pay-roll tax, while increased costs of supplies and services were not covered at all by those receipts.

Against this background, the Premiers sought an improvement to the formula by way of a progression factor which would have replaced the old simple wages factor. I point

out for the benefit of new members that under the previous arrangements the grants made to each State were increased year by year by applying three factors. The first was a factor reflecting the rate of population increase in the individual State. The second was a factor reflecting the rate of increase in average wages throughout Australia. The third was a betterment factor of 1.8 per cent.

The new progression factor proposed by the Premiers was to be derived by increasing the annual wages factor by a multiplier (suggested as 1.5). The result would have been to give the States rates of increase in grants which more nearly approximated the rates of increase in revenues flowing to the Australian Government through the effect of progressive personal income tax scales. A major benefit would have been to give the States a better measure of protection against the severe adverse effects to Budgets in times when wage levels were escalating rapidly.

At the Premiers' Conference in June, 1975, the Prime Minister informed the Premiers that, while the Australian Government recognised the problems facing the States and agreed that some improvement to the grants was necessary, it was not possible to meet their case in full. In the event, the Australian Government agreed to add a sum of $220 000 000 to the total of grants which would have been payable in 1975-76 under the existing formula, to build that sum into the base in future years, and to improve the old betterment factor from 1.8 per cent to 3 per cent for purposes of calculating grants in 1976-77 and future years. South Australia's share of the special addition of $220 000 000 is expected to be about $26 000 000.

Summary of major financial factors: While I am disappointed that a longer-term improvement in the financial assistance grants along the lines of the States' submission was not achieved, I am happy to be able to report to the House that the approved addition to those grants, the special grants associated with the railways transfer and the financial benefits of the Medibank agreement, enable me to present a Budget which allows for modest expansion, which aims at a balance on the year's current operations, and which does not require any new or increased taxes. As to taxes, it is a pleasure to be able to refer to two areas of relief, the first being the repeal of the petrol franchise taxation for which legislation has been passed and the second being the reduction of liability for succession duty for which legislation will be introduced shortly to give effect to the remissions I announced several weeks ago. In addition, of course, there will be the change in the maximum amount of pensioner remission money in relation to rates and taxes.

In its longer-term planning, the Government recognises that, while 1976-77 will see a continuation of the revenue benefits gained in 1975-76, it is most unlikely to see further improvements on the scale of those of this year. The modest expansion of services this year will have carry-over effects into 1976-77, wages and prices of supplies and services will continue to rise, though, hopefully, at gradually reducing annual rates, and, without doubt, the community will look for some further improvements of services beyond the standards reached this year. If we are able to achieve a balanced Budget this year, as we plan, and to hold the accumulated revenue surplus of $25 300 000 towards the financing of increased costs in 1976-77, we will reduce considerably the necessity to raise new or increased taxes and charges in that year.

I point out to honourable members that the achievement of a very marked surplus this year does not mean that members opposite can come to the Government and say, "Well, you have a surplus, so why do you not spend it on this project or that?" The proper and reasonable course for the State to take in present financial circumstances is to restrain spending to reasonable and conservative limits, and we should retain the accumulated surplus as against the problems that can be foreseen with escalating costs next financial year without our being able to expect, in that financial year, the extra amounts that we have derived for the Budget for this year.

That is the proper and prudent course, and the Government does not intend, simply willy-nilly, to spend the surplus that is in its hands. If in fact, some extreme emergency calls for some financing, that will have to be considered. We always have to consider that sort of situation, but our aim is to conserve the accumulated amounts as far as possible against the difficulties that we could face next year in providing the normal modest expansion of State services and the carrying out of the normal policies on which the Government was elected.

South Australia has entered 1975-76 in a better financial situation than any other State. We propose to keep a firm control of expenditures within the limits approved, to improve our forward planning and budgeting still further, to maintain flexibility so that we may cope with changing requirements, and to continue to keep long-term financial stability as one of our major aims.

I pay a tribute to the Treasury officers in South Australia. Members opposite have said how good they are, and I acknowledge that. The Treasury officers in South Australia are, I believe, the best in Australia. They are the envy of the Treasurers of the other States. There has been a great tradition in the South Australian Treasury of effective work, and Mr. Carey and Mr. Barnes particularly have done a tremendous job in preparing these Budget Estimates. I express to them my personal thanks and the thanks of the people of the State for the work that they do.

RECEIPTS

In 1975-76, receipts are expected to total $1 051 000 000 and to be divided between the principal categories as follows:

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Taxation	275 483 000
Public undertakings	134 150 000
Recoveries of debt services	51 011 000
Other departmental fees and recoveries	164 303 000
Territorial	3 845 000
Australian Government grants and reimbursements	422 208 000
	1 051 000 000

Taxation: Members may recall that fees for the registration of motor vehicles and for drivers' licences were raised from October 1 last in order to finance the State's share of the cost of the planned roads programme. This year the higher fees will operate for a full 12 months and greater receipts are anticipated as a consequence as well as from increased numbers of vehicles. As the extra funds will be transferred to the Highways Fund for construction and maintenance of roads there will be no net impact on the Revenue Budget.

Under an amendment to the Land Tax Act passed earlier this year, the unimproved values of all properties in the State are to be brought into line with those in the one-fifth of the State which is actually revalued each year by the Valuer-General. In this way equity between taxpayers will be achieved at any given point of time and, in future, increases in valuation will take place progressively instead of in large jumps every five years. This year, however, many properties will be valued at figures well in excess of the valuation ascribed to them last year

as the increases in land prices which have occurred in recent times have rapidly outstripped historical valuations. Having regard to this, the Government reduced the rates of tax imposed by the Act and the reductions will offset in part the effects of the higher valuations. An increase in receipts of $6 434 000 is expected.

Stamp duties are expected to produce about $55 000 000, an increase of $9 293 000 over actual receipts in 1974-75. In that year rates of duty on cheques, insurance licences, third party policies, conveyances and registrations of motor vehicles were raised and these higher rates will operate for a full year in 1975-76. In addition, it is to be expected that there will be some natural increases in the number of transactions and also higher values in some areas. Receipts from the totalizator tax increased sharply last year following a significant increase in amounts wagered. It seems likely in the current circumstances that the volume of betting will continue to rise and provision has been made for an increase in duty of $137 000.

One of the election undertakings given by the Government was to alter the Succession Duty Act so that a widow or widower could inherit an average-size family home without payment of succession duty. Legislation to give effect to this undertaking will be introduced shortly. The effect of the principal changes proposed in that legislation, an increase in the general statutory amount applying to a widow or widower and an increase in the rural rebate, will be to reduce expected receipts from succession duties by a little over $1 000 000 this year and by about $2 000 000 in a full year. It is difficult to estimate the likely effects of continuing increases in property values or variations in the number of large estates becoming dutiable, but allowance has been made for these factors. Increased receipts of $865 000 are included in the Budget. The increase applied last year in the rate of pay-roll tax from 4½ per cent to 5 per cent will operate for a full year in 1975-76 and produce some further rise in receipts. By far the most significant influence, however, will be the increase in average wages. The Australian Government has used a rate of 21 per cent in projecting the financial assistance grant and, on that basis, we can expect pay-roll tax receipts of about $126 000 000, an increase of $24 574 000 over 1974-75.

I had hoped to be able to abolish the franchise tax on the sale of petroleum products as from the beginning of 1975-76, but the decision of the Opposition to prevent the passage of the railways transfer Bill made such action impossible. The tax will therefore apply for one-quarter of the year and receipts in respect of that period, together with the payment of amounts outstanding from 1974-75, are expected to total $4 900 000. The franchise tax on the sale of tobacco products will operate for a full year in 1975-76 and it is expected that receipts will increase from $1 393 000 to $6 300 000. Higher liquor licence fees were introduced last year and the full year effect of these, together with an increase in the volume and value of consumption, is expected to produce extra revenue of $2 132 000.

Betting with bookmakers followed a pattern similar to betting on the on-course totalizator last year and there was a consequent increase in revenue from commission on bets. A somewhat similar increase is expected this year. Following the receipt of the report of the Committee of Inquiry into the Racing Industry, the Government introduced several tax measures designed to raise extra finance for the racing clubs. A minor side effect of the measure designed to improve the clubs' receipts from the tax on bookmakers' turnover was a slight increase in the percentage coming to the Government. This will be received for a full year in 1975-76. It is anticipated that revenue will increase by $364 000 to $1 660 000.

Public Undertakings: Receipts by the Marine and Harbors Department are expected to decline by $589 000. Shipments of grain are estimated to fall by about one-half and to cause a sharp fall-off in revenue from wharfage, bulk handling charges, pilotage and tonnage rates. Although receipts elsewhere may improve slightly, it is not expected that they will be sufficient to offset the loss of revenue from grain. Officers of the Railways Department are expecting a similar experience, with a substantial decline in the revenue from grain. There is also much less scope for a reduction in outstanding accounts than at the same time last year and it is inevitable that there will be some fall in receipts from this source. On the other hand, earnings from the carriage of general merchandise are expected to rise significantly while increased fares and freight rates across a wide range will operate for a full year in 1975-76. It must be borne in mind, of course, that only factors affecting metropolitan operations will have any net influence on the State Budget this year.

Members will note that no provision has been made for a transfer to the Railways Department towards deficits. In the past it was customary to pitch this figure a little below the deficit estimated for the department in order to encourage the most economical operation by giving a practicable target achievable through cost reductions or increased business. With the take-over of the non-metropolitan railways by the Australian Government, it has been decided to discontinue the financial transfer. I mentioned earlier, when discussing land tax, the new valuation procedure adopted for this year. A similar scheme has been introduced for the determination of water and sewer rates except that, instead of the assessed annual values of all properties being brought into line with those in the one-fifth of the State which is revalued each year, a series of differential rates, designed to produce the same effect, will be declared. Such a scheme is not possible with land tax because of the progressive nature of the tax scale, but it is feasible with a simple proportionate levy as used for water and sewerage rating. As a consequence of the adoption of this scheme and the determination of appropriate rates, it is anticipated that there will be a substantial rise in the receipts of the Engineering and Water Supply Department from $47 092 000 to $60 500 000.

Other departmental fees and recoveries: Recoveries from the Australian Government towards State payments of financial assistance to people in need are expected to rise by $855 000. Amounts paid by the State to deserted wives and unmarried mothers are tied to social security pensions and allowance has been made for increases in both the rate of pension and the number of applicants. Receipts for educational purposes are heavily dependent upon specific purpose payments made to the State by the Australian Government. Based on information contained in the recent Australian Budget, I have included a figure of $23 800 000 in the Estimates of Revenue for receipts by the Education Department from this source, principally in the form of grants recommended by the Schools Commission and of assistance towards the technical and further education programme. A further sum of $6 000 000 is expected as a contribution towards the costs of the activities carried out under the auspices of the Childhood Services Council.

The receipts of the Hospitals Department have been radically altered by the entry of the State into the Medibank scheme. Patients' fees, hospital benefits and pharmaceutical benefits are estimated to be well down on last year, while provision has been made for the first time for the $16 a patient bed day payments by the Australian Government and the half share of net costs to be reimbursed by that Government. The State will push ahead with the domiciliary care

and community health schemes, and substantial subsidies from the Australian Government are expected in this area. A change in accounting procedures will result in the sum of $11 500 000 being transferred to revenue from the Hospitals Fund. Grants to subsidised hospitals have been debited in part direct to the Hospitals Fund on a rather arbitrary basis since its inception in 1967. This has resulted in some unproductive clerical work designed to keep track of grants deemed to be paid from the Hospitals Fund and grants deemed to be paid from Revenue Account. With the advent of Medibank it has not been possible to estimate the grants which will be required by individual recognised hospitals and to apportion these grants between Revenue Account and the fund.

The opportunity has been taken, therefore, to rationalise the whole process and to make a transfer from the Hospitals Fund to Revenue Account towards the costs of hospital operations generally. A total of $8 700 000 was paid out of the fund last year but further rapid increases in the turnover of the Totalizator Agency Board and the Lotteries Commission and a full year's effect of the increase in the third party insurance surcharge should boost this figure to about $11 500 000 in 1975-76.

Provision has been included this year for the receipt of $5 500 000 by the Public Buildings Department for hospital maintenance. The Australian Government has insisted that only actual payments by hospitals themselves are eligible for subsidy under Medibank and so, in order to ensure that the State receives its full entitlement under the scheme, it has been necessary to provide for payment by the Hospitals Department to the Public Buildings Department for services previously met entirely from the votes of the latter department. For comparable reasons, an actual cash transaction is necessary to bring into Medibank the value of stocks of hospital supplies held at July 1, 1975. Receipts and payments include an amount of $4 000 000 on this account. Recoveries by the Public Health Department are expected to increase from $1 834 000 to $2 470 000, principally as a result of further expansion of the school dental programme and the substantial Australian Government support which it attracts.

Grants: I have given members the details of the new financial assistance grant arrangements. For 1975-76, the grant is estimated at $376 300 000 on the basis of an increase in average wages of 21 per cent and a small increase in population. Debt service reimbursements have now ceased, as the Australian Government will this year take formal responsibility for $1 000 000 000 of the debts of the States. State liability for debt services has been correspondingly reduced. As a result of our cessation of claimancy there will, of course, be no grant recommended for South Australia by the Grants Commission. Earlier in my remarks I mentioned that the railways accounts had been shown as if the department were to remain a State responsibility. Therefore, it is necessary to show a recovery from the Australian Government of the amount of the estimated deficit on non-metropolitan operations. A figure of $44 500 000 has been estimated.

PAYMENTS

In 1975-76, payments from Revenue Account are expected to total $1 051 000 000, of which $82 000 000 is an allowance against future wage and salary awards and $16 000 000 an assessment of the possible impact on the Budget of increased prices for supplies and services. Towards the detailed provisions of $953 000 000 the Government has authority under existing legislation for the expenditure of $140 683 000, and a further $812 317 000 is sought in this Bill.

Special Acts: Apart from the transfer to the Highways Fund, which is derived simply by deducting from motor vehicle taxation the costs of collection and certain other costs directly attributable to roads, the major appropriations contained in special legislation are the Government contribution to the South Australian Superannuation Fund and payments on the public debt. A provision of $15 000 000 has been made for the Government's liability under the Superannuation Act. It is known that $11 750 000 will be required to meet pensions of existing superannuants at current rates and that a further $2 250 000 will be required for the cost of living adjustment. The balance of $1 000 000 is simply an assessment of the impact of new retirements, offset by the normal reduction through death of the Government contribution in respect of existing superannuants.

Interest on the public debt and the contribution to the National Debt Sinking Fund are together estimated to require $108 100 000 in 1975-76. There is a particularly heavy liability this year in respect of old loans falling due for conversion. With interest rates at their current levels the cost of replacing these funds with new borrowings is certain to be heavy. The apparent burden of debt charges would, of course, have been much greater but for the fact that the Australian Government will this year assume responsibility for $1 000 000 000 of the debts of the States. In South Australia's case this means a reduction of $130 000 000 in public indebtedness. The State has been progressively relieved of the costs associated with this indebtedness over the last five years through special grants, but 1975-76 is the year in which the formal transfer will be effected.

Education Department: Expenditure other than for further education is expected to rise from $181 981 000 to $214 000 000. The Arbury Park Camp School, which will be the first of its kind in South Australia, will open at the beginning of 1976. It will cater for 96 children and six teachers and will supplement normal school activities with a wide variety of outdoor educational experiences. It is also proposed to open the Music Centre at Marryatville High School from the beginning of 1976 as the first of several planned special interest centres at high schools. A further 308 scholarships have been granted to teachers for 1976 to enable them to upgrade their qualifications, particularly in areas of specific need, such as special education, remedial education, librarianship and school-community relationships. Book allowances, which are currently $30 for years 8 to 11 and $32 for year 12, will be increased to $35 for all grades in recognition of the fact that the cost of books has risen substantially in the past 12 months and is a significant burden in many cases.

Pre-school Education: During the recent election campaign, the Government gave an undertaking to introduce one year of free pre-school education for all children in the State by the end of the decade. As a first step towards this aim, funds have been made available in the Budget, through the Childhood Services Council, to enable fees in kindergartens affiliated with the Kindergarten Union to be eliminated from January 1, 1976.

Independent Schools: The provision for grants to independent schools has increased by $2 333 000 over actual expenditure in 1974-75 to a figure of $4 900 000. Following representations from the Cook Committee, the Government agreed, prior to the election, to supplement the committee's 1975 allocation by at least $175 000. More detailed analysis has suggested that this would still leave the schools in a difficult position and allowance has been

made in the Budget for total supplementation of $551 000. For 1976 the Government has agreed to make available to the committee, for distribution between the schools on the basis of need, a sum equivalent to 20 per cent of the estimated cost of educating children in State schools.

Further Education: The fastest growing area of further education is that in which technicians, sub-professional and middle level personnel are trained for commerce, industry and the Public Service. The numbers being trained in these fields in 1975 constitute a 20 per cent increase over 1974. Government policy is to give priority to courses which are designed to improve the level of training of the work force and, as a consequence, it is not always possible to meet the demand for general interest courses for the wider community.

Libraries: The sum of $1 000 000 is provided for subsidies to local government libraries. Subsidy limits have been raised quite significantly for all such libraries and, in recognition of the particular problems of the larger councils, capital and administration subsidies for branch libraries will be raised from 50 per cent to 75 per cent of the limits applicable to the first library in a council area. The new limits will be as follows:

	First Library	Subsequent Library
	$	$
Capital subsidy	80 000	60 000
Initial book grant	32 000	16 000
Book subsidy	21 000	10 500
Administration subsidy	18 000	13 500

Hospitals Department: For Hospitals Department, an aggregate appropriation of $144 028 000 is proposed. In the absence of the Medibank agreement, the provision would have been about $124 528 000. The difference of $19 500 000 may be broken into two parts for ease of understanding. In the first place, a provision of $15 000 000 is merely a matter of accounting and does not mean an increased cash impact on the Revenue Budget. This $15 000 000 is made up of $5 500 000, being the estimated recoup to Public Buildings Department in respect of maintenance of hospitals to be carried out by that department in accordance with previous practices, $4 000 000, being the estimated recoup to the Hospitals Department itself in respect of the stocks of various supplies taken over at July 1, 1975, for purposes of Medibank, and $5 500 000, being payments to the Institute of Medical and Veterinary Science for services previously provided free. For claims on the Australian Government to be accepted under the Medibank arrangements, it is necessary for actual cash payments to have been made by the Hospitals Department for the relevant costs involved. Notional payments brought to account because another department has provided a hospital service are not acceptable. Of the $15 000 000 of payments, $9 500 000 is offset completely by equivalent receipts under the Hospitals and Public Buildings Departments, while $5 500 000 is offset by the reduced need for grants to be paid to the institute.

In the second place, provisions of $4 500 000 have been included to meet estimated additional cash costs which are likely to fall on the Hospitals Department as a result of Medibank. These cash costs will include payments to medical practitioners for services which would previously have been billed directly to patients and costs of diagnostic and paramedical services which likewise would have been billed directly. It is not possible to estimate accurately what changes will occur in the proportions of private and standard ward patients and, accordingly, the changes in cost from direct billing of patients to residual charge against the hospital itself. Apart from the advent of the Medibank scheme, the major development in the hospitals field will be the opening of the Flinders Medical Centre. For the first time in Australia a school of medicine and its associated teaching hospital have been planned and built as one institution. The objectives are, first, to provide for full functional integration of the school and the hospital and, secondly, to allow maximum flexibility to meet changing needs. Beds for more than 700 patients will be available when the project is completed and there will be a full range of supporting services, including X-ray department, diagnostic laboratories, large consultative clinic for out-patients, an emergency department and substantial research facilities.

Further progress is planned in the Government's community health programme, involving the provision of centres for primary health care, aid for the handicapped, community psychiatric services, occupational health services and health education. Social work services to general practitioners in areas of need, and training courses for paramedical aides and community health nurses will also continue to receive priority.

Public Health: Expenditure by the Public Health Department is expected to increase from $4 737 000 to $6 430 000. Provision has been made for the establishment of a maternal and child health section, for additional staff to meet the department's increasingly heavy commitment to the design and supervision of common effluent drainage schemes, and for further expansion in the dental health field. Members will doubtless be aware of the Government's election undertaking to provide dental care to all primary schoolchildren by 1980 and to all children up to the age of 15 years by 1985.

Other medical and health: The method of presentation of that section of the Budget which deals with assistance to non-government hospitals and institutions has been considerably altered this year. First, there is no provision for particular grants to be charged against the Hospitals Fund following the decision to transfer amounts credited to the fund to revenue as a contribution towards hospital costs generally. Secondly, the appendix has been split into three parts, the first a summary of assistance to recognised and eligible hospitals, the second a list of these hospitals, and the third a detailed presentation of the assistance to be given to non-recognised hospitals and other bodies. The increase of $549 000 in the provision for capital grants is a reflection of a greater number of capital projects to be undertaken and capital items to be acquired, principally for aged citizens clubs and aged persons homes.

To compare properly assistance to recognised and eligible hospitals for current maintenance purposes, it is necessary to refer to Appendix I rather than to the "Minister of Health —Miscellaneous" section of the Estimates of Expenditure, as the latter excludes amounts made available from the Hospitals Fund in 1974-75. There is, nevertheless, a substantial increase from $14 858 000 in 1974-75 to $33 200 000 in 1975-76. Much of the increase (perhaps $10 000 000 or so) is the result of the agreement reached under the Medibank arrangements. The requirement of these hospitals for grants will be increased because of a reduction in their fee income and because of the impact on them of costs for medical services that were previously billed directly to patients. An offsetting factor will be the payment to them of $16 a patient bed day by the Australian Government. I should point out that the figure of $33 200 000 is subject to a very wide range of possible variations, depending on the choices that individual patients make between standard ward treatment and other accommodation.

Assistance for current maintenance to organisations shown in Appendix III is down considerably from the amount provided in 1974-75. The drop of $4 604 000 is mostly attributable to the reduced level of support for the Institute of Medical and Veterinary Science. As the Australian Government has insisted that it will subsidise only hospital costs under Medibank arrangements, it has been necessary for the State Government to arrange for the institute to charge recognised hospitals for services previously provided at no cost to the hospitals. In these circumstances, of course, the institute becomes much more nearly self-supporting. Apart from this factor, however, Australian Government assistance to Minda Home, the Crippled Children's Association and the South Australian Spastic Paralysis Welfare Association has reduced the need for State Government support.

Law Enforcement: It is expected that expenditure by the Police Department will increase by $6 059 000 to $36 300 000. The principal development in 1975-76 will be the upgrading of the police radio communication network. Facilities in the operations room at police headquarters will be completely up-dated, while a number of country stations will be equipped with a new radio telephone system which directs public calls to patrol vehicles. In addition, the first stage of a development plan, which will enable police officers to communicate personally with headquarters from any part of the metropolitan area by means of miniaturised radio transceivers worn about the body, will be introduced. The Government proposes to introduce legislation to permit the issue of community work orders in lieu of imprisonment. This will involve a direction by the courts that persons undertake Saturday work but remain in the community and assume their normal responsibilities during the rest of the week. Allowance has been made in the estimates of the Correctional Services Department for the initial stages of this programme.

Welfare: Provision is included in the Budget for the Community Welfare Department to recruit 40 social workers from overseas to fill existing staff vacancies. This will enable the department to staff its decentralised district and branch offices more adequately. It will also facilitate establishment of a crisis care service which will be available on a 24-hour 7-day a week basis to deal with family crises Youth services throughout the State will also be strengthened by the appointment of neighbourhood youth workers whose function will be to help train and support voluntary workers in local community organisations for young people. As promised during the recent election campaign, the maximum remission to pensioners for water and sewer rates will be increased to $50 in each case and for council rates and land tax to $100 in each case. A total of $5 790 000 has been provided for the cost of these remissions.

Public Undertakings: The major public undertakings that have an impact on the Revenue Budget are the Engineering and Water Supply Department, the Railways Department, the Marine and Harbors Department, the Woods and Forests Department and the Municipal Tramways Trust. With the transfer of the non-metropolitan railways to the Australian Government, the nature of the State's involvement in the railway undertaking will alter significantly and become very similar to its involvement in the activities of the Municipal Tramways Trust. The Government reaffirms its belief that both these organisations have a vital part to play in the transfer of people within the city. In the absence of a public transport system, the mobility of the poorer sections of the community and of particular groups such as the aged and those who are unable to drive a car, would be severely curtailed. For this reason alone, it is appropriate that the general community should bear part of the cost of operating the system. In addition, however, the immense benefits to non-users as well as users in terms of freer movement, cleaner air, safer travel and a convenient alternative when the car is not available justify a policy of spreading costs beyond the circle of regular users. It seems probable, also, that there is a considerable saving to the community in terms of the quantity of resources which it is necessary to allocate to transport functions where a comprehensive system of public transport is in operation. There is no reason to believe that the benefits which derive from society's ability to allocate a greater proportion of its resources to other functions accrue any more to users of public transport than to non-users. With this in mind, the Government has taken the attitude that it would be inappropriate to insist that only those people who use the system should pay for public transport. It is expected that about one-quarter of the railways deficit (that is to say, about $15 000 000) will be incurred on metropolitan operations, while the provision for the M.T.T. deficit is $8 000 000.

It is reasonable, normally, to require the users of port facilities to meet the costs of providing and operating these facilities. For 1975-76, however, a deficit is forecast. Payments by the Marine and Harbors Department, excluding debt charges, are expected to total $8 100 000. Receipts will exceed this figure but are not expected to be sufficient to cover all debt charges. The matter of charges will need to be reviewed before 1976-77. Much the same argument could be said to apply to the operations of the Engineering and Water Supply Department. Given the extreme scarcity of water in South Australia, however, and the general acceptance of the need for a measure of decentralisation, it seems likely that it will prove necessary, in this State anyway, for country water supplies to be made available at less than cost.

Expenditure by the Engineering and Water Supply Department is expected to increase this year by $5 617 000 to a total of $36 460 000. Provision has been made for rather greater costs of pumping than in recent years because of the poor level of intake into the reservoirs in the winter months. At the same time, a start will be made on a major new programme of investigation of the State's water resources in an effort to overcome the problem that has constantly hindered our development. The Government is, of course, also taking steps to improve the quality of South Australia's water supply, and during the year the first filtered water will flow through the system. Members will note that the department has absorbed what was formerly the Minister of Works Department. Over many years, the State Government has made Loan funds available to the Woods and Forests Department for the establishment of a softwood timber industry in this State. The department operates as a commercially viable enterprise, and its annual contribution to Revenue Account represents a return to the taxpayer on the investment in the industry. A contribution of $2 500 000 is provided for in 1975-76.

Other Activities: The Government has made a special contribution of $35 000 to maintain the programme of grapevine improvement in South Australia. This programme is for the development of superior strains of the most important wine grape varieties and for research into the use of new rootstocks needed for an industry replanting programme. In co-operation with the industry, the Agriculture Department is establishing source areas of these new varieties on growers' properties to provide the essential planting material for vineyard reconstruction,

In recognition of the importance to South Australia of the fishing industry and the difficult economic situation which it faces, the Government has decided to allocate increased funds to the Fisheries Department sufficient to double last year's expenditure. The additional funds will enable a greatly intensified research programme to be undertaken into the State's fish resources, including investigations into possible new fisheries as yet untapped. Much greater emphasis will be placed on management techniques, and negotiations are proceeding for the engagement of an oversea consultant to undertake, in collaboration with departmental officers, a comprehensive technical and economic survey of our fish resources and their management.

For Public Buildings Department, a provision of $32 156 000 is proposed in order to meet Government office service costs, the costs of maintenance of public buildings and the management and office expenses of the department. Service costs are the most rapidly growing item in the department's budget. This year's appropriation includes provision for increased charges for electricity, telephone and cleaning and for lease rentals for accommodation for the Mines and Agriculture Departments. Within the appropriation for maintenance is the normal provision for maintenance of hospital buildings. This is to be recovered from the Hospitals Department so that the latter may make appropriate claims under Medibank.

ATTACHMENT

THE YEAR 1974-75

The Revenue Budget was presented to the House last year in a climate of some uncertainty. Apart from the now universally acknowledged difficulties of forecasting in a time of rapidly escalating cost levels, an application by South Australia for special budgetary assistance had not been fully considered by the Australian Government. In addition, that Government's Budget had not been brought down and its budgetary assumptions about estimated wage and salary increases were therefore not available. The State's estimated deficit of $12 000 000 was necessarily somewhat tentative, but it took into account a possible increase of 20 per cent in the level of average wages and an expected grant of $6 000 000 towards South Australia's particular problems. Receipts were expected to total $762 645 000, and payments $774 645 000, after allowing $30 000 000 for future wage and salary awards. When the Australian Government brought down its Budget in mid-September, the financial assistance grants to the States were based on the assumption that the level of average wages would rise by 25 per cent rather than 20 per cent. The net effect of this on the South Australian Budget was estimated to be adverse to the extent of about $4 000 000, as the cost of wage awards is greater than the increase in grants and pay-roll tax which flow from such awards. Tn addition, advice was received from the Australian Government that no special assistance would be forthcoming. As a consequence of these two events, the explanation which accompanied the introduction of the Budget into the Upper House referred to a likely deficit of $22 000 000.

Subsequently, there occurred a significant down-turn in stamp duty revenues and a greater than expected rise in departmental costs other than wages. Faced with a prospective deficit of $36 000 000, the Government proceeded to introduce legislation to impose franchise taxes on the sale of petroleum and tobacco products and placed a virtual freeze on the creation and filling of new positions in Government employment for some weeks. Principally as a result of these measures, the outlook at the time of the February Premiers' Conference was for a deficit of about $27 000 000. At that conference the Australian Government agreed to make additional general purpose grants available to assist with the problems faced by all States. South Australia's share was about $6 600 000, and I was able to report subsequently to Parliament that there were prospects of holding the deficit for the year to about $20 400 000.

Between mid-February and the end of the year the situation changed entirely. Under arrangements made with the Australian Government for the transfer of the non-metropolitan railways, the State received a special additional grant of $10 000 000, and a $10 000 000 completion grant for the 1974-75 financial year was brought forward in time and paid without further review by the Grants Commission. Furthermore, revenues from other sources picked up somewhat, and the combination of these factors resulted in the Government's achieving a surplus for the year of $8 384 000. Receipts totalled $828 985 000 and payments $820 601 000.

These rapid and large changes in the Government's prospective Revenue Budget position inevitably had consequences for capital expenditure policy. The original Loan programme for 1974-75, put before Parliament in mid-August last year, proposed that all funds becoming available in that year be used for works and that the balance of about $4 500 000 in the account be run down by a nominal $200 000. In view of the uncertainties surrounding the Revenue Budget at that time, it was necessary to hold a balance of Loan funds in reserve as a buffer against possible deterioration in Revenue Account. Had the two Budgets, as put to Parliament, been achieved, Loan funds at June 30, 1975, would have totalled $4 300 000 and the accumulated revenue deficit would have been $4 000 000, which is to say there would have been a nominal surplus of $300 000 on the two accounts combined.

When the Australian Government brought down its Budget in September, it provided for additional support of State Loan programmes to an extent that added about $12 500 000 to South Australia's new borrowings and capital grants. By then, of course, we were aware of the deterioration in our revenue position and of indications that the down-turn in revenues and the increases in non-wage costs could exacerbate the situation. In these circumstances, the Government decided to hold those additional Loan funds in reserve to cover the rapidly growing revenue deficit. At the February Premiers' Conference an extra $8 100 000 of Loan funds was added to South Australia's 1974-75 programme. This amount, together with the additional $6 600 000 of revenue moneys mentioned above, put the State in the following position on its two major accounts:

	Revenue $ mill.	Loan $ mill.	Combined $ mill.
Effective opening balance	8.0*	4.5	12.5
Planned Budget result	— 12.0	—0.2	—12.2
	—4.0	4.3	0.3
Net deterioration	—15.0	—	—15.0
Increased Australian Government assistance	6.6	20.6	27.2
	—12.4	24.9	12.5

*After receipt of completion grant of $8 500 000.

It was decided, therefore, to authorise the expenditure of a further $14 700 000 of Loan funds to enable construction departments and contractors to retain their labour forces. The Government considered such action warranted in the circumstances, despite the fact that it would mean a combined short-fall on the two accounts of about $2 200 000 by the end of the year. As the Revenue Budget

position improved, the Government was able to relax further its tight control on Loan expenditures and, in particular, to assist the statutory bodies with the problems created for them by rapidly escalating costs. For the full 12 months there was in fact a deficit of $2 593 000 on Loan account, leaving a cumulative surplus of $1 903 000 at June 30, 1975. At that date the cumulative position on Revenue Account was a surplus of $22 782 000, made up as follows:

	$
Deficit at July 1, 1974	536 000
Completion grant 1972-73	8 500 000
	7 964 000
Surplus 1975-75	8 384 000
Further completion grants on account of 1970-71 and 1971-72	6 434 000
	22 782 000

Payments for the year totalled $820 601 000 compared with an estimate, including the allowance for future wage and salary awards, of $774 645 000. The principal explanation for the excess of $45 956 000 was the cost of wage and salary awards in excess of the allowance of $30 000 000. Awards for which automatic appropriation was given by section 3 (2) of the Appropriation Act amounted to $58 996 000, but in addition costs of $5 912 000 were incurred as a result of decisions on wages that fell outside the ambit of that section. Together, these two items exceeded the original provision by $34 908 000. It is of interest to note that, had State Government employees as a whole experienced the same increase in average wages as the community in general (a little less than 27 per cent was the wages increase factor in the financial assistance grant formula), this cost would have been some $10 000 000 lower. As it was, their rates of remuneration increased more rapidly than average and imposed further strains on the Revenue Budget in particular. I mention this to illustrate the difficulties of forecasting in a period of strong inflationary pressures and the degree of approximation that is inherent in forward estimates of the likely cost to the Budget of future wage and salary awards.

Apart from wage and salary awards, the excess of expenditure over estimate was $11 048 000. Of this amount, $1 500 000 was the State's share of the cost of the beef industry assistance programme and the balance, $9 548 000, comprised the effects of price increases on the costs of goods and services purchased by State Government departments and the cost of new initiatives not included in the original Budget proposals.

Receipts for the year amounted to $828 985 000, and exceeded by $66 340 000 the original estimate, which is taken to include the $6 000 000 expected from the Australian Government. The greater part of the excess was in the area of payments from the Australian Government, which were $38 252 000 greater than the original estimate. Whilst the special grant of $6 000 000 was not received, the operation of the financial assistance grant formula produced significantly more than expected, a special allocation was made to all States in February at the Premiers' Conference, and the arrangements for the transfer of the non-metropolitan railways to the Australian Government included grants of $26 434 000, of which $20 000 000 was in respect of the 1974-75 financial year. State taxation revenues exceeded estimate by $15 277 000, due principally to the introduction of franchise taxes on the sale of petroleum and tobacco products and to the effects of rapidly rising wage and salary levels on the liability of employers for pay-roll tax. Public undertakings returned $6 159 000 more than estimate, with the major variations being in the operations of the Railways Department ($7 830 000 above estimate) and the water supply undertaking, which fell short of estimate by $1 908 000. Departmental fees and recoveries was the other area to show a significant variation from estimate, with an excess of $6 628 000. Payments by the Australian Government for education and health purposes and greater revenues from hospital fees were the major factors in this case.

To this point I have dealt in very broad terms with the most significant influences on the 1974-75 Budget. I shall now attempt to give more detail.

RECEIPTS

In summary, the variations from estimate were as follows:

	Estimate $
Taxation	15 277 000 above
Public undertakings	6 159 000 above
Recoveries of debt services	110 000 above
Departmental fees and recoveries	6 628 000 above
Territorial	86 000 below
Australian Government	38 252 000 above
	66 340 000 above

Taxation: The revaluation of part of the State had a rather greater impact on land tax receipts than had been expected and resulted in the final figure exceeding estimate by $916 000. Stamp duties receipts, on the other hand, were $3 993 000 below estimate. In presenting the Budget to the House last year, I mentioned that there were indications of some stabilisation in the volume and value of land transactions and that receipts from stamp duties on conveyances were therefore expected to increase at a much slower rate than previously. Stamp duty on mortgages was expected to follow a similar pattern. In fact, the difficulties being experienced in the real estate market proved to be more severe than had been expected, and revenue from these two sources fell well short of estimate. Actual revenue from succession duty was $2 135 000 above estimate. This resulted from a marked increase in the number of estates assessed, higher values of estates generally, and the receipt of duty from some very large estates. There was virtually no increase over 1973-74 in receipts from gift duty. The number of returns lodged did not come up to expectations, and consequently revenue was $253 000 below estimate. Receipts from pay-roll tax were naturally influenced by the rapid increases in wage and salary rates that took place during the year, and exceeded the original estimate by $7 426 000. When it became apparent early in the year that there was every prospect of a very large deficit on Revenue Account if no action were taken, the Government introduced business franchise taxes based on sales of petroleum and tobacco products. The taxes operated from late March and early April, 1975, and were expected to yield about $11 000 000 in 1974-75. Actual receipts from the taxes were $6 836 000 in the case of petroleum products and $1 393 000 in the case of tobacco products. Nothing was included for either levy in the Budget papers, so the full amounts represent collections not expected at the beginning of the year. Receipts from the petroleum franchise were below estimate because of the failure of one company to pay duty, the adoption by the Government of a slightly narrower definition of petroleum products, and the fact that no reliable statistics were available at the time on which to estimate the likely tax base. Sales of tobacco products actually exceeded expectations but revenue fell short of estimate because some second quarter payments were not received in time to include in the 1974-75 receipts.

Public Undertakings: The Marine and Harbors Department received $211 000 less than estimated in 1974-75, due almost entirely to the necessity to credit to a deposit account fees from the registration of small boats, consequent upon amendments to the Boating Act. Commercial earnings were very close to estimate. Slaughtering charges imposed by the Produce Department were increased substantially in September, 1974, and this, together with a large increase in the throughput of cattle, caused revenue to exceed estimate by $438 000. Railway receipts were above estimate to the extent of $7 830 000. Fare increases were introduced from February 1, 1975, after freight rates across a wide range had been raised on December 1, 1974. The main factors leading to the large excess, however, were the heavy carriage of grain and a very marked decline in the volume of outstanding accounts, following a determined effort on the part of the department to ensure prompt payment by debtors. Engineering and Water Supply Department receipts fell $1 908 000 short of estimate. Charges for excess water were a little higher than expected, but the effect of this was more than offset by a big increase in the volume of outstanding accounts.

Departmental Fees and Recoveries: The most significant variations from estimate in this section occurred in receipts related to education and health services. At the beginning of the year it was expected that the State would receive $250 000 outstanding from a previous triennium under tertiary education arrangements. A claim was forwarded to the Australian Government in the second half of the year but no reply had been received by June 30. Of far greater significance, however, were the extra amounts received for other education purposes. The largest of these were $1 043 000 on the recommendation of the Schools Commission, $853 000 under various schemes for technical and further education, and $263 000 under the childhood services programme. Receipts on account of hospital services exceeded estimate by $2 069 000. Within this total the largest factor was the variation in patients' fees which arose from a higher occupancy rate than expected and higher charges in mental health institutions and nursing homes following pension increases. Expenditure on domiciliary care was well in excess of estimate, and this led to higher contributions by the Australian Government. On the other hand, delays in capital projects under community health schemes resulted in recurrent expenditures and consequent recoveries falling well below estimate. Hospital and pharmaceutical benefit receipts were both affected by the higher than expected bed occupancy, and receipts from pharmaceutical benefits also increased in line with price rises. The maintenance of tuberculosis patients proved to be considerably more costly than expected, and receipts under the tuberculosis scheme rose correspondingly.

Australian Government: There were two separate factors that influenced the size of the financial assistance grant. The first of these was the rapid increase in wage and salary levels, and the second was the influx of people following the Darwin cyclone. Both raised the level of the grant by virtue of their effects on the elements of the formula. Additional financial assistance grants were received for two quite separate and distinct purposes. At a special Premiers' Conference in February, South Australia received an extra $6 616 000 as its share of revenue funds made available to the States by the Australian Government for employment-generating purposes. Then, as part of the arrangements for the transfer of the non-metropolitan railways to the Australian Government, a further $10 000 000 was paid to the State to be used for general budgetary purposes. The special grant paid to the State was also $10 000 000 above estimate. An advance grant of $15 000 000 had been recommended by the Grants Commission for 1974-75, and in the normal course a completion grant for that year would have been recommended and paid in 1976-77. As part of the arrangements for the cessation of claimancy by South Australia, it was agreed that a completion grant of $10 000 000 in respect of 1974-75 would be paid immediately.

PAYMENTS

In the form in which the Budget is now prepared, the built-in allowance for future wage and salary awards is not distributed over departments but shown as a special item. It is inevitable, therefore, that actual expenditure by individual departments will exceed estimate at a time when wage and other costs are rising rapidly. In 1974-75 expenditure under all Ministerial heads was greater than the figures shown on the Budget papers at the beginning of the year, but it must be borne in mind that, where wage and salary costs are involved, part of the overspending at least was provided for in the round lump sum allowance for future wage and salary awards. The following is a brief explanation of the major areas of difference.

Special Acts: Expenditure under special appropriations was the one major area of under-spending in the Budget. The transfer to the Highways Fund was $1 695 000 below estimate, due principally to the increase in the costs of operating the Highways Department and the motor registration branch of the Transport Department. Other costs deducted from motor taxation before the transfer to the fund were also greater than expected. Interest payments on the public debt were $1 362 000 below estimate as a direct consequence of the decision of the Australian Government not to float public loans early in the financial year. Much of the borrowing for the Loan programme took place in the latter half of the year, and the first instalment of interest will fall due early in 1975-76.

Chief Secretary: Expenditure by the Police Department was $4 180 000 above estimate. The cost of wage and salary awards was responsible for $3 420 000 of this, and most of the balance flowed from price increases, bonus payments over the Christmas period, and a rapid and substantial change in the relationship between the prices that the department was obliged to pay for motor vehicles and the prices that it could negotiate for trade-ins. Price increases were responsible for part of the extra expenditure of $915 000 by the Correctional Services Department, but award costs of $713 000 were the main cause.

Minister of Lands: Award costs of $888 000 more than accounted for the excess expenditure by the Lands Department. In the "Minister of Lands—Miscellaneous" section, however, two special factors influenced expenditure. Late in the year the Australian Government agreed to assist the States to make concessional loans to beef producers affected by the difficult market situation. South Australia's obligation under the programme was $1 500 000, and this amount, which will attract an equal contribution from the Australian Government, was paid into a trust fund. Expenditure on natural disaster relief was much higher than the sum originally appropriated, because of the unexpected severity of the Murray Valley floods. Money was spent primarily on emergency works on embankments to protect public assets. Included were grants to local authorities for this purpose.

Minister of Works: The cost of wage and salary awards to the Engineering and Water Supply Department was $2 751 000. Maintenance costs for tanks and pumping stations in the metropolitan area also contributed to increased expenditure by the department, as did higher costs for goods and services generally and the cost of treating water supplies in the very hot summer weather. The River Murray Commission required a much higher contribution than had been expected towards the costs of operating and maintaining the Murray River locks, while the cost of electricity for pumping through the Morgan-Whyalla main and from the Eyre Peninsula basins was somewhat greater than estimated. Following the February Premiers' Conference, the Government embarked on a deliberate policy of expanding its maintenance and repair activities in order to provide as many employment opportunities as possible. This led to considerable over-spending by the Public Buildings Department both in direct wage costs and through payments to contractors. Rising price levels had their effect here as in other departments, while wage and salary awards cost $1 270 000.

Minister of Education: Expenditure by the Education Department exceeded estimate by $26 601 000. Of this sum $22 887 000 was needed to meet the cost of wage and salary awards, the extension of leave loading to teachers, new rates for contract cleaners, higher allowances for student teachers, increases granted to ancillary staff, greater accrued leave payments to former staff members, and other salary payments beyond estimate. Higher prices and a higher level of activity in certain programmes supported by the Australian Government led to provisions for contingency items being exceeded. In the "Minister of Education—Miscellaneous" section, expenditure on early childhood care services from Australian Government funds proved to be somewhat greater than expected, and a special allocation of $100 000 was made to the South Australian Institution for the Deaf and Blind to assist with that organisation's budgetary difficulties.

Minister of Transport: Apart from the cost of wage and salary awards, which amounted to $503 000, the principal area of over-spending in the Transport Department was in the Motor Registration Branch. The allowance in the original Budget for the cost of decentralisation and reorganisation of this function proved much too low, and additional cost was also incurred in replacing card punching equipment that had reached the end of its effective life. Excess expenditure of $1 041 000 by the Highways Department was more than accounted for by wage and salary awards. Price increases, particularly for steel, were the biggest single factor in the additional expenditure by the Railways Department on contingency items, although certain work not included in the August Budget, such as the re-wheeling of freight vehicles, was undertaken. Wage and salary awards cost the department $3 510 000.

Minister of Community Welfare: Expenditure by the Community Welfare Department exceeded estimate by $1 773 000. As in past years, the Government adjusted scales of financial assistance in accordance with changes in pensions and benefits paid by the Australian Government, and this was largely responsible for State welfare payments being $661 000 above the amount originally appropriated. The cost of wage and salary awards was $1 162 000. The extent of the increase in water rates and local government rates was rather greater than estimated at the beginning of the year, and this resulted in the programme of remissions to pensioners being significantly more costly than expected. As a consequence, expenditure from miscellaneous lines was $345 000 above estimate.

Minister of Health: The cost of wage and salary awards to the Hospitals Department was $15 106 000. Price increases on contingency items also helped to push up the costs of operation, but savings due to a slower rate of progress in the community health programme and a higher level of vacancies than had been planned offset these factors to some extent and kept excess expenditure by the department to a figure of $13 008 000. During the course of the year, it was necessary to allocate additional funds to a number of organisations providing health services to the community. Wage and salary awards affected these bodies to the extent of $5 515 000 but, in addition, there were extra calls on Government funds for emergency assistance grants to nursing homes, the cost of transport of pensioner and indigent patients, and the completion of the Regency Park centre by the Crippled Children's Association. In total, the "Minister of Health—Miscellaneous" section required an extra $6 083 000.

The clauses of the Bill are in the normal form. Clause 1 gives the short title. Clause 2 authorises the issue and application of such a further sum as will, together with the sums authorised by Supply Acts, amount to $812 317 000. Clause 3 (1) appropriates the sum of $812 317 000 for the purposes set out in the schedule. Clause 3 (2) provides in the normal way that, if increases of salaries and wages become payable by the State or by a prescribed establishment pursuant to any determination made by a wage-fixing authority, the Governor may appropriate additional funds by warrant.

Clause 3 (3) provides that, if the costs incurred by the Engineering and Water Supply Department for electricity for pumping water should be greater than the amounts set down in the Estimates, the Governor may appropriate the funds for the additional expenditure. Clause 3 (4) defines a "prescribed establishment". Clause 4 authorises the Treasurer to pay money from time to time up to the amount set down in monthly orders issued by the Governor and provides that the receipts obtained from the payees shall be the discharge to the Treasurer for the moneys paid. Clause 5 authorises the use of Loan funds or other public funds if the moneys received from the Australian Government and the general revenue of the State are insufficient to make the payments authorised by clause 3.

Clause 6 gives authority to make payments in respect of a period prior to July 1, 1975. Clause 7 authorises the expenditure of $11 500 000 from the Hospitals Fund during 1975-76, and of $4 000 000 in the early months of 1976-77, pending the passing of the Appropriation Bill for that year. Clause 8 provides that amounts appropriated by this Bill are in addition to other amounts properly authorised. I commend the Bill to the consideration of members.

The Hon. C. M. HILL secured the adjournment of the debate.

PUBLIC PURPOSES LOAN BILL

Read a third time and passed.

ADJOURNMENT

At 5.34 p.m. the Council adjourned until Thursday, September 18, at 2.15 p.m.