**BULK HANDLING OF GRAIN (DIRECTORS) AMENDMENT BILL 1996**

**Legislative Assembly, 27 November 1996, page 661**

Second reading

**The Hon. R.G. KERIN (Minister for Primary Industries**) obtained leave and introduced a Bill for an Act to amend the Bulk Handling of Grain Act 1955. Read a first time.

The Hon. R.G. KERIN: I move: That this Bill be now read a second time. \

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

The Bulk Handling of Grain Act 1955 was designed to meet strong imperatives for the substitution of an archaic system of bagged grain with a system of bulk handling. The measure was most appropriate to the conditions then in existence.

To strategically position itself for the changing economic and competitive environment now affecting the Australian grains industry, South Australian Cooperative Bulk Handling Limited (SACBH) wish to make a number of non contentious amendments to their Memorandum and Articles of Association. This Bill aims to accommodate those wishes.

The Bill would see the deletion of section 5 (Directors), 6 (Director’s remuneration), and 7 (Disagreement between Directors) from the Act. The inclusion of these as amendments to SACBH’s Articles of Association under the Corporations Law was approved at an Extra-ordinary General Meeting of the Company on 29 October 1996. That approval was prefaced by 14 meetings around the State seeking growers’ permission to make such changes.

SACBH was originally established as an unlisted public company limited by guarantee and registered under the Corporations Law. It has no authorised or issued share capital.

Legal advice is that with deletion of the above sections from the Act the behaviour of directors would be guided by corporate law. The proposal is of no great significance from a Government view point.

For the longer term the government has scheduled a review in 1997-98 of the Bulk Handling of Grain Act, to meet the Government’s obligations under the Competition Principles Agreement. The review will explore the need for an Act which in light of those principles, is highly contentious and will take some time to sort out. As a consequence, it has been agreed with industry to proceed with a bill to delete the less contentious sections of the Act, that is to say sections 5, 6 and 7.

In conclusion it is pointed out that passage of the bill holds no financial implications for the Government.

Explanation of Clauses

*Clause 1 : Short title*

*Clause 2: Commencement*

Clauses 1 and 2 are formal.

*Clause 3: Repeal of ss. 5 to 7*

Clause 3 repeals the sections in the principal Act that deal with Directors, their remuneration and disagreement between them. These matters will now be covered by the Corporations Law.

Mr CLARKE secured the adjournment of the debate.