**BULK HANDLING OF GRAIN ACT REPEAL BILL 1998**

**LEGISLATIVE COUNCIL, Wednesday 19 August 1998, page 1492**

Secondreading

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

**The Hon.** DIANA LAIDLAW (Minister for Transport and UrbanPlanning)**:** 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 purpose of this Bill is to repeal the *Bulk Handling of Grain Act 1955.*

The core objective of the *Bulk Handling of Grain Act 1955* (the Act) is to convert the storage, handling and transport of grain in bags to a system of bulk storage. In so doing, the Act confers certain rights, powers and duties on South Australian Co-Operative Bulk Handling Limited (SACBH). The conversion to a system of bulk storage was successfully accomplished some time ago.

SACBH is a public, unlisted company limited by guarantee and thus does not have a share capital. It is required to comply with the *Corporations Law* like other companies and its Memorandum and Articles of Association are the constituent documents under which SACBH operates. The Government has no financial interest in SACBH.

Repealing the Act will—

* remove the statutory sole receiving rights of SACBH;
* remove statutory impediments to the commercial operations of SACBH;
* have some financial implications for SACBH, including a possible change in its current tax exempt status.

The 1988 Royal Commission into Grain Storage, Handling and Transport recommended removal of sole handling rights. Other Commonwealth and State legislation contains over-riding provisions or permits marketing boards to appoint authorised receivers so that, in effect, the sole receiver authority of SACBH is largely removed. In practice, however, as there has been little alternative investment in central storage facilities, the majority of grain in South Australia is still received by SACBH.

The management of SACBH believe that the commercial advantages resulting from the repeal of the Act will outweigh any disadvantages.

In 1997, as a response to representations from SACBH, the Act was reviewed to consider whether SACBH required statutory backup (as provided in the Act) given that SACBH is also subject to the *Corporations Law* and the *Trade Practices Act 1974* (Cth).

The review was conducted by a working party with representatives from growers, marketing boards and the State Government. Consultation was undertaken with press releases and wide distribution of a discussion paper. Submissions received in response to the paper were in favour of repealing the Act. Support for repeal of the Act was given by—

* the Advisory Board of Agriculture;
* the South Australian Farmer’s Federation;
* the Australian Wheat Board;
* the Australian Barley Board.

The working party concluded that the Act is no longer relevant in the current commercial and economic climate for the following reasons:

* it is inconsistent with a deregulated domestic milling and feed wheat market and the probability of a deregulated domestic market for stock feed and malting barley;
* it impedes the development of more commercial operating structures to reduce costs;
* it is at variance with the recommendations of the 1988 Royal Commission into Grain Storage, Handling and Transport relating to removal of sole handling rights.

The working party unanimously recommended that the Act be repealed.

I commend the Bill to honourable members.

Explanation of Clauses

*Clause 1: Short title*

*Clause 2: Commencement*

These clauses are formal.

*Clause 3: Repeal* This clause repeals the Bulk Handling of Grain Act 1955.

The **Hon. P.** HOLLOWAY secured the adjournment of the debate.