BULK HANDLING OF GRAIN ACT AMENDMENT BILL 1961

House of Assembly, 24 August 1961, page 566

Second reading

The Hon. Sir THOMAS PLAYFORD (Premier and Treasurer): I move:

That this Bill be now read a second time.

It is a simple Bill containing only one substantive clause which amends the principal Act by inserting therein a new section to enable the Treasurer to execute a further guarantee to the Commonwealth Trading Bank for a repayment of an amount not exceeding £500,000, being the whole or any part of the loan to be made by that bank to South Australian Co-operative Bulk Handling Limited upon terms and conditions similar to those covering the guarantee already made by the Treasurer in pursuance of the principal Act. Honourable members will recall that some five years ago the Commonwealth Trading Bank made a loan of £1,000,000 to the company on the security of a floating charge over the company’s assets supported by a guarantee for £500,000 given by the State Government pursuant to the principal Act. By the end of this year it is expected that the company will have purchased and built silos with a total storage capacity of just over 17,000,000 bushels at a total cost of £3,300,000. To complete the planned storage capacity of 30,000,000 bushels, over 12,500,000 bushels of storage capacity will be required.

The company is repaying £88,000 per annum in reduction of the original loan, and further silo construction depends upon tolls and charges in respect of wheat received, and its income from this source is in turn influenced by seasonal deliveries. To enable the company to proceed with its programme for silo construction, it recently sought the assistance of the Government in an approach to the Common­wealth Trading Bank for a further loan of £1,000,000. Following representations by the Government, the Commonwealth Trading Bank recently agreed to make the additional amount available to the company on the condition that the State Government should provide a guarantee for £500,000 as before. The object of the present Bill is to enable this to be done.

I believe that honourable members need not be informed of the importance of the grant of assistance in this matter. All are aware of the fact that this affects one of our principal industries. Apart from increases in the cost of cornsacks (the use of which, incidentally, in the absence of adequate bulk handling facilities, involves an annual loss of something like £1,500,000 in overseas balances), the availability of adequate silo storage would facilitate rail handling, prevent risk of loss and deterioration of grain, ease the strain on shipping and assist in the proper treatment of bulk grain. The loan which is sought by the company is, moreover, designed only to accelerate the programme and indeed it is expected that repayment would be made in full within a period of five years. I commend the Bill to honourable members.

Mr. FRANK WALSH secured the adjournment of the debate.