



**South Australia Cooperative Bulk Handling Limited
9 March 1999**

Mrs PENFOLD (Flinders): The South Australian Cooperative Bulk Handling Limited is one of the many success stories of this State. The annual meeting on 26 February 1999 heard of another year of growth and record grain receipt. One of the many reasons for the SACBH's success is that it is controlled by grain growers. The directors who make the decisions have a personal understanding of the industry.

It was my privilege to escort the Governor, Sir Eric Neal, to Cummins on his recent visit to southern Eyre Peninsula. One of Sir Eric's appointments was the opening of the new 90 000 tonnes of mechanised shed storage at Cummins. New sampling, weighing and marshalling infrastructure has enhanced the capability of this strategic buffer site. Cummins is one of the two sites developed as the principal canola receipt sites for their respective regions, thus requiring specialist equipment to maintain storage quality control standards. Canola, a newer grain in the State's agricultural scene, already shows high promise as a profitable alternative crop for farmers to diversify into. Certainly, canola oil has a sound reputation as a healthy edible oil.

SACBH has added significantly to the employment sector of the State through its building program. In 1997-98, SACBH outlined capital expenditure of \$55 million and budgeted a further \$60 million in 1998-99. Just as farmers are always looking for new crops, so this company is constantly reviewing its business development. Directors formed the Business Development Group to focus on strategic and business planning processes and specific business developments within the agricultural industry. Value adding to provide a degree of drought proofing led to research to pinpoint opportunities for diversifying the company's activities. The processing of grain, pulses and oilseeds and agri-related enterprises were among businesses looked at. Drought proofing is an essential component of successful farming, since poor seasons inevitably come—and, fortunately, also go—and it is, therefore, also necessary for any business dependent on farming. We are all subject to continual change and this is true also of business.

When the State Government moved to divest non-core enterprises, SACBH acquired the bulk loading plant and strategic land at terminals, including Port Lincoln. The acquisition provided the company with the chance to link its terminal facilities directly to the ship loaders, with the aim of delivering seamless shipping facilities to users of the terminals. SACBH, seeking to make maximum use of its ownership of these facilities, continues to explore options that will provide greater throughput over the belts and through the shipping system. At the port of Thevenard, SACBH has worked closely with Gypsum Resources and Cheetham Salt. In excess of 1 million tonnes of gypsum and salt were handled in the first months of its taking over the plant. Eyre Peninsula produces 75 per cent of Australia's gypsum.

Three of the SACBH directors—Brendan Fitzgerald, Adrian Glover and Ken Schaefer—come from the Eyre Peninsula electorate of Flinders. They are an example of the quality of the SACBH board of directors, who have also displayed typical forward thinking in relation to the year 2000 millennium bug. The company has implemented a detailed plan to identify all year 2000 related matters that might affect the operations of the company. Suppliers and customers have been contacted to ensure that they, too, have adequate plans in place to address this issue. It is intended that SACBH will be year 2000 compliant by the third quarter of this year.

SACBH, as would be expected in a successful business, has adopted the computer age by quickly moving to make the best possible use of information technology. The establishment of a national grower registration system is progressing, as is the setting of agreed standards for the electronic exchange of information between grain handlers, marketers and processors.

Directors have noted that the move by GRAINCO, the Queensland grower owned company, to construct an

export/import terminal for dry bulk commodities in Melbourne is the final evidence that the very regulated environment in which Australia's grain industry has functioned for so long is at an end. The directors are approaching this change with their customary thoroughness. They are analysing and reviewing the consequences for SACBH and will subsequently discuss their findings with grower members in scheduled meetings across the State in September. My congratulations go to the management of SACBH and its shareholders, and also the large number of employees who work for SACBH all over South Australia.

The DEPUTY SPEAKER: Order! The honourable member's time has expired.