

~~Bay. I would also like to acknowledge in the gallery today teachers and school leaders from the Rosewood State High School, represented in this House by me.~~

## PERSONAL PROPERTY SECURITIES (ANCILLARY PROVISIONS) BILL

### First Reading

**Hon. PJ LAWLOR** (Southport—ALP) (Minister for Tourism and Fair Trading) (11.31 am): I present a bill for an act to provide for matters ancillary to the referral of matters by the Personal Properties Securities (Commonwealth Powers) Act 2009 to the Parliament of the Commonwealth, to repeal the Bills of Sale and Other Instruments Act 1955, the Liens on Crops of Sugar Cane Act 1931 and the Motor Vehicles and Boats Securities Act 1986, to amend the Cooperatives Act 1997 and to make consequential amendments to the legislation mentioned in chapter 4. I present the explanatory notes, and I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

*Tabled paper:* Personal Property Securities (Ancillary Provisions) Bill.

*Tabled paper:* Personal Property Securities (Ancillary Provisions) Bill, explanatory notes.

### Second Reading

**Hon. PJ LAWLOR** (Southport—ALP) (Minister for Tourism and Fair Trading) (11.32 am): I move—

That the bill be now read a second time.

The Personal Property Securities (Ancillary Provisions) Bill 2010 is the second piece of legislation introduced into the Queensland parliament to progress reforms to Australia's personal property securities law in Queensland.

On 1 September 2009, I introduced the first bill to progress this reform—the Personal Property Securities (Commonwealth Powers) Bill 2009. That bill sought to refer power to the Commonwealth parliament to make laws for the regulation of personal property securities in Queensland. That bill was passed on 17 September 2009. As I indicated during my second reading speech for the referral bill, the personal property securities reforms have been driven by the Council of Australian Governments, as part of a package of reforms aimed at delivering a seamless national economy.

During the introduction of the referral bill, I outlined the complex system of laws currently regulating personal property securities in Australia. The national personal property securities reforms aim to increase the availability of finance and reduce costs by providing less complicated arrangements for securing interests in personal property and by rationalising this area of law. This will be achieved through the establishment of a single national personal property securities law and a single national electronic register for all personal property security interests.

In December 2009, the Commonwealth parliament passed the Personal Property Securities Act 2009. This Commonwealth act establishes the national register—the Personal Property Securities Register, or PPS Register. The Commonwealth PPS Act provides the rules for registration of security interests, the rules for determining priority of competing interests and enforcement of those interests. It is anticipated the new national system, including the PPS Register, will commence in May 2011.

The bill I am introducing today will do three main things: it will close Queensland personal property registers and repeal the acts that establish them; it opts out certain statutory licences and rights from the national scheme where necessary; and it provides for prioritisation of cost recovery where property is seized or acquired under law. I will address each of these goals in turn.

Establishing a national scheme requires amendments to repeal the acts that establish the Queensland personal property registers, closure of the registers and migration of information included in those registers to the new national PPS Register. Queensland registers to be shut down include the Register of Encumbered Vehicles—commonly known as REVs—the Register of Cooperative Charges and the Bills of Sale Register including the Register of Liens on Crops of Sugar Cane. The Queensland registers will be shut down to coincide with the commencement of the PPS Register in May 2011. Similar registers held by other jurisdictions will also be shut down.

The Commonwealth PPS Act provides for the migration of interests currently recorded on the Queensland registers to the new PPS Register. This means secured parties will not have to re-register interests currently recorded on existing registers. The Commonwealth act also includes measures to

protect the rights of parties in a migrated security interest. Migrated interests will be afforded the priority they had under the existing state law.

The bill will enable migration of data from the Queensland registers to the PPS Register and the ongoing maintenance of migrated interests by the PPS Registrar. For instance, it provides for the provision of information to the PPS Registrar in relation to existing interests.

The bill will also provide necessary transitional arrangements to enable closure of the Queensland registers. For instance, the bill prescribes the process for finalising applications by secured parties for registration, renewal, discharge or change of particulars of an interest on foot at the date of closure of the Queensland registers. The transitional provisions aim to protect the rights of all parties to interests recorded on the Queensland registers and to assist with the transition to the new national register.

The second main goal of the bill is to opt out of the national scheme a number of state based statutory licences, rights, entitlements and other authorities. Under the Commonwealth PPS Act, 'personal property' does not include a licence, right, entitlement or authority granted by a state law, which is capable of being transferred, if declared by the state law not to be personal property for the purposes of the Commonwealth PPS Act.

The Commonwealth PPS Act recognises that, even where a licence, right, entitlement or authority issued by the state might be transferable and may be used as collateral, there may be sound reasons for excluding them from the national scheme. The bill will opt out of the national scheme mining leases and exploration permits, energy licences, casino licences, operating authorities and gaming machine entitlements, liquor licences and wine producer and merchant licences.

The rationale for excluding the above licences, rights and entitlements is outlined in the explanatory notes. These include, for example, that the legislation establishing certain licences only permits the assignment of a licence to a person approved by the Governor-in-Council, prohibits encumbering an operating authority, or a licence is site specific.

The third main goal of the bill is to ensure that statutory charges and other interests in personal property created under Queensland law will be afforded the same priority they have prior to the commencement of the Commonwealth PPS Act. The Commonwealth PPS Act will only apply to security interests defined by the act. This would not include, for example, statutory interests created without consent, such as charges under the Criminal Proceeds Confiscation Act 2002 or statutory liens under the Storage Liens Act 1973.

In this regard, the bill includes provisions to clarify that the state and other interested parties, including local governments, can continue to recover the expenses of seizing or impounding property and disposing of that property above the interest of other secured parties. The bill also ensures that in appropriate cases, amounts owing to secured interest holders can be paid out of the proceeds of sale of seized or impounded property, before paying any money to the owner of the property.

Finally, the bill will make minor consequential amendments across a range of Queensland acts. Primarily, these amendments will replace references to acts repealed by the bill. Changes will also be made to terminology to align language with the Commonwealth PPS Act, where appropriate. I commend the bill to the House.

Debate, on motion of Ms Simpson, adjourned.

## ~~APPROPRIATION (PARLIAMENT) BILL~~

### ~~APPROPRIATION BILL~~

#### ~~Consideration in Detail (Cognate Debate)~~

#### ~~Appropriation Bill~~

~~Resumed from 4 August (see p. 2439).~~

#### ~~Estimates Committee D~~

#### ~~Report~~

~~Mr DEPUTY SPEAKER (Mr Kilburn): Order! The question is~~

~~That the report of Estimates Committee D be adopted.~~