



Speech by

Hon. JUDY SPENCE

MEMBER FOR MOUNT GRAVATT

Hansard 27 August 1998

BILLS OF SALE AND OTHER SECURITIES AMENDMENT BILL

Hon. J. C. SPENCE (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (11.41 a.m.): I move—

"That the Bill be now read a second time."

The purpose of this Bill is to modernise and simplify the Bills of Sale and Other Instruments Act 1955—Bills of Sale Act—and the Liens on Crops of Sugar Cane Act 1931—the Liens on Crops Act. Members would be aware that this Bill was introduced into Parliament earlier this year and has since lapsed. I am taking this opportunity to introduce it again because I agree that the amendments contained in the Bill are not only commercially sensible but are an example of Queensland leading the way in modernising and streamlining this important area of the law.

No other jurisdiction in Australia has attempted such progressive changes to its bill of sale and liens on crops legislation as introduced by this Bill. There has been extensive consultation on the amendments with members of the business and finance sectors, sugar industry representatives and consumer groups. All agree that the simple registration rules introduced by the Bill will help keep compliance costs for business down whilst promoting registry efficiency. Lenders and potential purchasers can have added confidence in the system, safe in the knowledge that they have greater protection as the result of these amendments.

Members would be aware that the Office of Fair Trading of the Department of Equity and Fair Trading has a charter to maintain the registers under the Bills of Sale Act and the Liens on Crops Act; however, the registration procedures prescribed under those Acts are complicated and in need of reform. The Bill updates and streamlines those outdated registration procedures by making two major amendments. First, the district divisions and registries prescribed in the Acts have been omitted and replaced with one centralised registry. Second, the Bill introduces a simple and efficient, interest-based system of registration.

What changes are being made?

Under both items of legislation, Queensland is divided into various districts for registration purposes. This system contributes to a registration process that is cumbersome, confusing and outdated. For instance, under the Bills of Sale Act, it is necessary to lodge two copies of a bill of sale in each registration district in which chattels are located at the time of execution of the bill of sale. The Bill removes the district divisions from each Act, replacing the district system with one central computerised registry. Thus, once a security interest or lien is registered under the relevant legislation, registration will be effective throughout the State.

Who benefits from such a change?

A direct benefit of this new streamlined approach will be that security holders will no longer be required to go to the expense and inconvenience of having to register in all districts to fully protect their security interest. One registration involving one registration cost at one central registry will be all that is required. This means, therefore, that security holders will not have to pay the multiple costs of registration associated with registering in all district registries. The centralised registry will be located in Brisbane and regional offices of the Office of Fair Trading will also be able to register security interests and liens and allow applicants to inspect the register to search for particular security interests. Regional

and rural Queenslanders will not be disadvantaged in any way. In fact, consumers will benefit from these changes in that one search covers the whole State, which will result in fewer disputes.

The other important change

The registration of interests, known as "notice filing", is the other important change proposed for both Acts. Under the current legislation hard copy lodgment, that is, lodgment or filing of the actual instrument in each registration district, is required for registration purposes. Many of these instruments can be extremely lengthy and complex documents, often consisting of up to 50 or 60 pages! Hard copy lodgment is time consuming and costly compared with a more simple procedure that would require a person to simply file a one-page application for registration of an interest in the prescribed form. Registration of the security interest gives "notice" of the person's interest, hence the expression "notice filing".

The necessity of filing the instrument evidencing a security interest has a number of disadvantages—

- the length of documentation can involve time delays and reproduction of paper records, and it is generally unnecessary for another party to read the entire text of the document;

- the security agreement may contain provisions which are confidential to the parties and which they do not want included on a public record; and

- instrument filing is administratively inconvenient and costly and impedes the computerisation of records.

Notice filing on the other hand will promote registry efficiency, minimise disputes and administrative and compliance costs and deliver a simple and modern interest-based registration scheme. Notice filing is currently the registration procedure prescribed in the Motor Vehicles Securities Act 1986 and to a very large extent the amendments contained in the Bill are a natural consequence of the successful operation of the Motor Vehicles Securities Registry—REVS—which governs a large percentage of all executed bills of sale. Finally, the Bill contains a number of miscellaneous amendments to the Bills of Sale Act which will help to improve the operation of that Act.

Today, in introducing a Bill to amend the Bills of Sale and Other Instruments Act 1955 and the Liens on Crops of Sugar Cane Act 1931, Queensland is reforming this important area for the benefit of consumers and business. The Bill delivers a simple, modern registration scheme—a system that is easily understood, efficient, and cheap. I commend the Bill to the House.
