



Speech by
Grace Grace

MEMBER FOR BRISBANE CENTRAL

Hansard Thursday, 17 September 2009

**PERSONAL PROPERTY SECURITIES (COMMONWEALTH POWERS)
BILL**

Ms GRACE (Brisbane Central—ALP) (12.21 pm): I rise to support the Personal Property Securities (Commonwealth Powers) Bill for a number of reasons. It is imperative that every member of this House looks to see how we stop unnecessary complication. How do we try to prevent unnecessarily high costs, and how do we streamline business not only in Queensland but across Australia?

One of the reasons I support this bill is that it is a bill that will finally consolidate what is currently a mishmash of ways in which people register their personal securities into one identified Australian registry. If you listened to the member for Coomera, you would not do anything if you had to worry about whether things are going to go right straightaway and whether everything is going to be 100 per cent correct as soon as you transfer over. It is so reflective of the lack of leadership of the LNP to sit back and do absolutely nothing because you are afraid that you might make one little mistake, or not everything is going to be 100 per cent right from the day the bill is introduced. That is different from this side of the House. We implement good policy. I commend the member for Mermaid Beach for saying that the bill is going to be supported. I think it is a step in the right direction for all of those businesses and all of those people who are going to benefit from this legislation.

The bill will allow a single national register of security interests in personal property and a single national law for regulation of security interests in personal property. Weigh that against what we currently have—and we hear the carping from the other side—of 40 registers nationally. If, like the member for Morayfield, you are buying a car, you might look at REVS, but if you come from another state and you want to be sure then you are looking at the possibility of 40 different registers.

Not only that, over 70 pieces of legislation govern this particular area of law. I believe—and I think I want to stand on the value—that if we can do something to simplify things for ordinary consumers in finding out information about something they are purchasing or businesses they are transacting with then we should. If we are able to go to one register to get that information, we have to do all we can to achieve that. I acknowledge some of the issues that have been highlighted by the Scrutiny of Legislation Committee in the *Alert Digest* which I think were referred to by the member for Glass House. In spite of some of those concerns, I think we have to be bold and take that step and iron out any of those creases that we identify later down the track.

Currently, as I said, there are 40 registers and 70 governing pieces of legislation. Some are paper based in operation. We know that places a great vulnerability in the delay between the execution of a financial transaction and registration, and it often incurs higher cost. We have some that are electronically based. What a breath of fresh air. I really welcome the detail in the national partnership agreement to deliver a seamless national economy which all of COAG have signed up to. This is one of the steps in that direction. It is unequivocal that multiple registers and regulations result in higher transaction costs due to the need to search a number of different registers across jurisdictions to ensure the suitability of the party taking out the financial registration or transaction as far as registering their securities that are being offered.

I also note and welcome the comments by and findings of Access Economics that the proposed national scheme should do a number of things. The first one is improve the ability to create and register a security interest, which will improve the way that it is created and the way that you register. It will also be at a lower cost. They anticipate the system will lower the cost quite substantially for people who are engaged in these transactions. It will also open up the finance options and lower the finance costs for businesses that have assets traditionally unable to be used as collateral. That is a fantastic step in the right direction.

Access Economics was unable to identify any group in the economy who would not benefit from the introduction of this scheme. In fact, it stated that all stakeholder groups will recoup net gains. How do you not do something with regard to that in light of that kind of report from Access Economics? I commend the minister and his staff for taking the bold step forward of providing a basis for hopefully gaining what Access Economics says we are going to gain from this scheme.

There are some issues that we may have some concerns about. I want to quickly refer to the issue of privacy protection around the PPS Register. Privacy issues for me are very important and have been at the forefront of consideration, I understand, during the development of the new PPS Register. During the development of the Commonwealth PPS Bill and draft regulations, I know that the Queensland government, along with other state and territory governments, has made strong representations, which I support, to the Commonwealth to ensure there are sufficient privacy safeguards for individuals whose details are on the PPS Register.

In response to stakeholder submissions and the recommendations made in the privacy impact assessment conducted on the draft Commonwealth PPS Bill, the Commonwealth has revised the draft legislation to significantly improve the way privacy is addressed. For a consumer grantor—that is, a person who puts up personal property as security to obtain finance—the only identifiers to be included on the PPS Register will be their name and date of birth. Address details will not be recorded on the PPS Register. Where collateral is described by serial number, for example in the case of a motor vehicle described by its vehicle identification number, the grantor's details will not be included on the register at all. Where the grantor is not an individual, no personal details will be recorded. The entity will be described using identification numbers such as their Australian company number, or ACN.

Privacy will be further protected by civil penalty provisions in the Commonwealth's PPS Act. The PPS Registrar will have the power to investigate suspected contraventions. A person will only be able to search the PPS Register to determine whether personal property is subject to a security interest. Use of data obtained as a result of a search for a purpose other than that set out in the PPS Bill will be prohibited. An unauthorised search on the PPS Register, or the use of an individual's personal information recorded on the PPS Register, would also constitute an act interfering with the privacy of an individual for the purposes of section 13 of the Commonwealth Privacy Act 1988 and could give rise to a claim for damages.

I think these are great protections. I wanted to put them on the record because I think it is important that people who register under this new scheme and people who access this new scheme know the privacy rules that will surround it. That is an important way of ensuring it is user friendly and protects the consumers who are going to use it.

For all the reasons I have just spoken about, I believe this is a necessary piece of legislation. It is a piece of legislation that will bring about greater changes to the PPS registration system in Australia. I commend the government for taking the steps to introduce it. I commend the bill to the House.