



Speech by

Jarrod Bleijie

MEMBER FOR KAWANA

Hansard Thursday, 17 September 2009

PERSONAL PROPERTY SECURITIES (COMMONWEALTH POWERS) BILL

Mr BLEIJIE (Kawana—LNP) (12.38 pm): I rise to speak in general support—

Government members interjected.

Mr BLEIJIE: It does not take them long, does it? I rise to speak in general support of the Personal Property Securities (Commonwealth Powers) Bill 2009.

Mr Reeves interjected.

Mr BLEIJIE: I cannot take all of the interjections at once, but I will take the interjection from the Minister for Child Safety and Minister for Sport. Every time I get up they interject. They say, 'Jarrod, you are so negative. You cannot talk about positive things.' In terms of your government on that side, there is not too much positive stuff to talk about.

Mr DEPUTY SPEAKER (Mr Hoolihan): Order! I would remind the member that it is not 'your government on that side'. Would you kindly direct your comments through the chair.

Mr BLEIJIE: Absolutely. I will rephrase it. With the government sitting on the opposite side of the House, there is not too much positive stuff to say.

Today I am pleased to stand in this place and place on record my support for this bill, which I am sure the government will give all thanks to later. This bill provides for the referral of certain matters relating to personal property security interests from the Queensland state parliament to the Commonwealth parliament as part of a national personal property securities reform. In April 2006 the Standing Committee of Attorneys-General initiated a review of personal property security laws throughout Australia with the release of several discussion papers. Following the review of the personal property security laws and with the consideration of the Council of Australian Governments, the Personal Property Securities Law Agreement was signed by all states, territories and the Commonwealth. I note that the New South Wales referral legislation was passed on 17 June 2009.

As part of the national personal property securities reform, the Commonwealth parliament will have the power to enact streamlined national laws for the regulation of personal property securities. The national reform will also enable the Commonwealth parliament to establish and maintain a national register for all personal property security interests which will be known as the PPS Register. Personal property security refers to security of financing arrangements over interests in property, including fixed and floating charges over assets of companies; bills of sale; loans secured against motor vehicles, boats, plant and equipment; contractual rights; share mortgages; equipment or trading stock; liens on crops; lease arrangements; and factory or book debts. However, personal property security does not extend to security over land.

A personal property security is created when a person or entity—generally, a financier—takes an interest in property other than land as security for a loan or an obligation or enters into a transaction that

involves the provision of secured finance. The referral of the state powers to the Commonwealth will allow for a standardised process across state boundaries to the whole of Australia. The Commonwealth is obligated to enact law reform for the national regulation of personal property securities. Currently, each state and territory throughout Australia maintains its own personal property securities register and processes. The current processes are complex and inadequate and can be quite costly. At the moment, there are several pieces of legislation for the governing of personal property securities in each state and territory.

The process of registration and priority of interests is vast and varies for the type of personal property, how the security is taken, the entity of the financier, and the list goes on. Some security interests are also required to be registered on multiple registers in more than one jurisdiction. This can be quite costly and complex. We then come to identifying encumbrances over personal property, which itself adds another set of complexities to the process. Purchasers and financiers need to undertake several costly searches through the various registers and throughout multiple jurisdictions. This adds to the cost and time delays. There is also the chance of missing a register if you are not familiar with a certain jurisdiction or the searches available. With state and territory processes already quite complex for those arrangements that relate to a sole state or territory, one can only imagine the difficulty of dealing with interstate transactions. Australian businesses are dealing with their counterparts in other states and the territories, and domestic borders are being removed as businesses are increasingly expanding their operations throughout Australia.

As part of the standard national regulation of personal property securities, the Commonwealth is obligated to establish and maintain this register for all personal property security interests. Under the standardised national legislation, the same rules and procedures will apply for all security interests of all personal property, regardless of the type of property, the form of the transaction and the jurisdiction in which the transaction took place. A streamlined and standardised process and a national register will bring great relief to many individuals, organisations and businesses, especially those who deal with these interstate transactions. The national reform will increase efficiency, improve risk management, remove uncertainty around this commercial area of law and reduce costs—something that will encourage economic development in a volatile economic climate.

From the point of a retired lawyer before entering this chamber, I can appreciate—and I understand the other lawyers in the chamber will appreciate this also—the difficulties in law—

An honourable member interjected.

Mr Ryan: Wonderful profession.

Mr BLEIJIE: Wonderful profession as it is; thank you, member for Morayfield! The other lawyers in this place will appreciate the difficulty that lawyers face in commercial transactions dealing with clients in terms of the types of searches, bills of sales registers and the list goes on. It is a complex scenario, particularly when dealing with national or international clients wanting to undertake their relevant due diligence on other parties in transactional matters. So this of course will benefit the legal profession and its clients. I also might add that in his second reading speech the minister said that in April 2007—

Mr Ryan: Another lawyer!

Mr BLEIJIE: Yes, another lawyer! The minister said that this reform process came about in April 2007. If I am right, April 2007 was prior to Kevin Rudd sweeping into power. Therefore, this reform must have been started under the old coalition government. So no doubt in the minister's summing-up he will give due recognition and praise to the Hon. John Howard and Philip Ruddock, who started the ball rolling on this national reform. Minister, I look forward to that acknowledgement in your summing-up.

Government members interjected.

Mr BLEIJIE: I cannot take the interjections all at once, troops! Over the years the Labor Party, particularly for the last 11 years in Queensland, has been known for its red tape. Since being elected in March this year I have stood in this place on numerous occasions and talked about red tape and the bureaucracy of the Labor Party. One would not expect this type of reform from the Labor Party but, as I said, it has bipartisan support. I encourage this type of legislative reform and I am sure that in the long run it will reduce red tape.

The shadow minister in his speech noted the \$20 million that the state will be receiving. The government will have to be careful to ensure that Queenslanders are not hit with extra burden and expenses as the years go on. If one looks through loan agreements one sees that they contain all of these various search, charge and administrative fees for all of their due diligence. We must be mindful and keep track of this so that financiers do not still charge all of these various fees and so forth once we have a federal register.

The other reason the LNP is supporting this legislation is that, as Queenslanders know, the LNP—the party of first choice for Queenslanders—is the low-taxing party. We are a low-taxing party. We do not stand in this place and say, 'We're not going to be burdening Queenslanders with extra tax, because these

are not taxes; these are levies!' To me and to the Queensland public, a levy is a tax. So we must be mindful of the fact that the LNP, both federally and in this state—

A government member interjected.

Mr BLEIJIE: Well, there is a Liberal Party and a National Party in coalition.

Mr DEPUTY SPEAKER (Mr Hoolihan): Order! It might be wise if you direct your comments through the chair. That way we will have substantially fewer interruptions.

Mr BLEIJIE: Thank you, Mr Deputy Speaker. I take your advice. As I said, the LNP is the low-taxing party. I say to the minister that we must ensure that the Queensland public does not have extra burdens put on it in the future with extra levies and taxes that this federal register may create. This bill is a major step forward in modernising and rationalising this area of commercial practice and procedure that is long overdue but welcomed on this side of the House. I commend the bill to the House.