



Speech by

Michael Crandon

MEMBER FOR COOMERA

Hansard Thursday, 17 September 2009

PERSONAL PROPERTY SECURITIES (COMMONWEALTH POWERS) BILL

Mr CRANDON (Coomera—LNP) (12.13 pm): I rise to add to the debate on the Personal Property Securities (Commonwealth Powers) Bill 2009. There is no doubt that over the years this area has been a bit of a mishmash. People have been caught out quite often thinking they have done the right thing by checking ownership on a vehicle, only to discover at some future date that they did not do it properly and the vehicle has been repossessed so they have lost their money to some scammer and they have lost the vehicle as well.

My contribution will really focus on the money side of the bill. I want to clarify a few things and I hope the minister can take this on board. The explanatory notes state that there is \$9.28 million per annum in lost revenue, and that is on the one side. The member for Mermaid Beach talked about \$20 million coming back to us in the first year. The explanatory notes are a little bit light on or thin on the ground, if you like. They say that \$550 million over five years will be allocated on an equal per capita basis and so forth to cover 27 business and regulatory reforms, of which this is only one. I would dearly love to know what other revenue streams we might be missing out on out of these other 27 business and regulatory reforms.

The information in the explanatory notes on payment timing is also a little bit thin on the ground. It is stated that there will be a payment totalling \$100 million—and I understand \$20 million of that will come to Queensland in the first year—in 2008-09. I repeat: in 2008-09. Have we already got the \$20 million? When did that arrive? Is it in the budget? Is it in the figures? I would like to know where it is because we are talking about last financial year.

Mr Reeves: Who are you supporting in the challenge? Who are you voting for?

Mr CRANDON: I am just wondering where the \$20 million is.

Madam DEPUTY SPEAKER (Ms O'Neill): Order! Could we stick to the topic of the bill being debated? The member for Coomera has the call.

Mr CRANDON: Thank you for your protection, Madam Deputy Speaker. So where is the \$20 million? Did it arrive? If it has not arrived, when is it going to arrive? From the look of things, we have to wait a few years. The explanatory notes talk about a five-year plan, but we are waiting until 2011-12 and 2012-13 to pick up the other two tranches of our share of the \$550 million. The costs are unknown in total terms. The explanatory notes state—

It is anticipated that the transition to the national personal property securities scheme, including progression of this Bill and the proposed Ancillary Provisions Bill will be funded from within existing resources. However, it is not possible to quantify the potential costs of data migration ...

I hope we can get some quantification happening real soon. I hope we can hear something being brought back to this House to give us an indication of what we end up spending on this transition. I would also like to know exactly when we are getting our money. Did we get it? Will we get it? Is it inflated? Are they going to give us \$550 million increased by an inflationary figure to take into account the fact that we

are talking about 2008-09 initially and we are now talking about 2012-13 down the track? It is all over the place, even though we are going down this track. We need to go to some sort of a central system but, goodness me, I would have expected we would have more of an idea. This concept has been touted since 2002, according to the research I have been reading on it.

I have made another note in my column of money in, money out. The explanatory notes state—

The PPS Register will not provide Certificates of Title in relation to vehicles and boats, and it has not been determined whether the Commonwealth intends to charge state agencies for register searches.

Once again, we are looking down the throat of getting this \$20 million upfront. They will give us a few extra dollars in a few years time, but we do not know whether that is inflated and we do not know what it will actually cost to transition the whole thing across. We are just taking a stab in the dark at all of this and we do not even know if they are going to charge us for our searches. We are going to go online and pay out hand over fist for something that we gave them in the first place and that they gave us a few dollars back for, in the whole scheme of things. It just beggars belief that we have something that is so thin on the ground.

In relation to the loss of jobs, the explanatory notes talk about redeployment. The notes state—

With regard to staffing costs, at present, the delivery of services for REVS and the Bills of Sale Register are provided by Smart Service Queensland (SSQ) and DEEDI. With transition of the scheme not taking place until May 2011, SSQ and DEEDI are planning for the redeployment, within the Queensland Public Service, of staff ... This will take into account the impact of all COAG reforms, not just the personal property security reforms.

So we come back to these 27 reforms I was talking about. Clearly, there are people in jobs in those other 27 areas of reform who will be redeployed at some time in the future.

Once again, I question the holes in the money side of this bill. A little more research—even a stab in the dark—is needed to give us some indication of where we might be going with it. I note the comments of Craig Wappett in the February 2009 edition of *Proctor* in his item 'Personal Property Securities Reform'. He states—

The proposed legislation is a huge step towards rationalisation and modernising an area of commercial law that has been crying out for reform for a long time.

The new regime should result in greater transparency, improved risk management, more certain priority outcomes, business process efficiencies and cost savings, but in the short term it will require a careful review of documents, credit policies and procedures and IT systems by financial institutions, other lenders, equipment lessors and retention of title suppliers.

He does not mention anything about what we will have to get on top of as far as transitioning the data across to the central database. What we are going to have to get our heads around is the costs associated with all of this. At the end of the day, I hope this is not going to end up costing Queensland significantly over the long term both in dollars and in jobs.