



Speech by
Mark Ryan

MEMBER FOR MORAYFIELD

Hansard Thursday, 7 October 2010

PERSONAL PROPERTY SECURITIES (ANCILLARY PROVISIONS) BILL

Mr RYAN (Morayfield—ALP) (2.56 pm): I rise to make a contribution to the debate on the Personal Property Securities (Ancillaries Provision) Bill 2010. This is the next step in the personal property securities revolution. This process started last year with referral legislation passed by this House in September 2009. In my contribution to the debate on that referral legislation I stated—

The legislation is a revolution in the treatment of personal property securities. For the first time it will implement a comprehensive, extensive and extrajurisdictional register system for personal property securities in Australia.

Currently there are approximately 70 acts across Australia governing security interests in personal property. There are approximately 40 separate registers which record personal property security interests administered by 30 Commonwealth, state and territory agencies. The current system is complex, piecemeal, deficient and lacks universality.

The differences across jurisdictions impose additional compliance costs on business. Additionally, security interests may also need to be registered in more than one jurisdiction, which also leads to additional costs. These costs are passed on to consumers seeking to obtain finance or otherwise complete transactions.

The current system also creates uncertainty. This is because personal property security law and practice varies according to the location of the secured property, the nature of the secured property, the debtor's legal form and the legal form of the transaction. This uncertainty again leads to higher transaction costs.

To fix this, a few years ago the Council of Australian Governments agreed to reform personal property security law. The reform will see a single national law and a single national register to deal with personal property security law. The policy objectives behind this reform are to increase certainty, increase consistency, reduce complexity and reduce costs. Critically as well, these attributes, these results—the increased certainty, the increased consistency, the reduced costs—will also contribute to a culture of registration and a culture of checking the register. If we do not have that culture, if we do not have that willingness, if we do not have that interest to check the register, why on earth would we want to register something? That leads to greater certainty not only for transactions but also for individuals participating in those transactions. It is critically important as well.

This bill will help fulfil Queensland's obligations under the reform process. The bill ceases the operation of Queensland registers and facilitates the migration of data to the new national register. The bill also makes consequential amendments to a number of other acts. It is anticipated that the national scheme will commence in the middle of 2011. This is historic reform which will remove uncertainty in the law, open up greater opportunities to obtain finance and help consumers by providing easier registration and searching of security interests over personal property.

I want to conclude my comments by commending the minister for his diligence and hard work in getting the bill before the House and, of course, commend his staff and the departmental staff for their hard work as well. This is good legislation. It will improve things for people participating in transactions involving personal property law. It does contribute to that revolution which I spoke romantically about in September 2009, and I further encourage all members of this House to support the bill. I commend the bill to the House.