



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

**PERSONAL PROPERTY SECURITIES
(CORPORATIONS AND OTHER
AMENDMENTS) BILL 2011**

SPEECH

Monday, 21 March 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Perrett, Graham, MP

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Mr PERRETT (Moreton) (6.12 pm)—I rise to voice my support for the Personal Property Securities (Corporations and Other Amendments) Bill 2011. This bill implements a number of minor and technical amendments that were recommended by the 2010 Senate inquiry by the Senate Legal and Constitutional Affairs Legislation Committee. Before we passed the Personal Properties Securities Bill in 2009 there were more than 70 Commonwealth, state and territory laws relating to security interests on personal property. Whilst that was good for article clerks and baby solicitors, in terms of giving them work and something to do—as I horribly remember, from my days as an article clerk—it was not good for business, it was not good for individuals with security interests and it was not good for the running of the country. So the Labor government introduced one national law governing security interests in personal property and a single, national online register.

Personal property is any property other than land, so we are talking about either tangibles like cars, boats, machinery or crops, and intangibles such as shares or intellectual property. Personal property securities are interests in personal property that secures a payment. So when the new scheme comes into force from October this year—as I am sure lawyers are eagerly looking forward to—the new online register will replace more than 40 registers around the country, of which many are still, in 2011, paper records. So, unfortunately, article clerks will have to look for new things to entertain their time!

Personal property securities reform is happening because of the 2008 COAG agreement. This bill will amend the Personal Property Securities Act 2009 to address issues raised by stakeholders and practitioners. Some of the minor and technical amendments include correcting drafting errors, clarifying certain definitions, clarifying that the intention of the act is not to interfere with existing rights of parties under the Corporations Act and introducing certain practical measures to ensure the regime is appropriate for users. I am sure the member for McPherson, who is in the chamber, will be looking forward to these changes when they come in, as are many other Australians.

Under the 2008 COAG agreement all states and territories agreed to refer their powers regarding personal property securities to the Commonwealth. This bill enables states that have not yet passed the necessary legislation to refer their powers to adopt the relevant version of the PPS Act and refer power to the Commonwealth. Personal property securities reform is good for the finance sector, it is good for business and it is good for consumers. Consumers will have greater protection, as they will be able to search to see if property they are considering purchasing is encumbered. For example, if an individual is in the market for a used car, for a small fee they will be able to do an online search to see whether a particular car is being used as a security for a loan—and, rather than searching around different states, they will be able to cover the entire nation. In my electorate—in fact, just down the road from where I live—is the Moorooka ‘magic mile of motors’, which will benefit from this process because people will be able to buy or sell a car and know whether it is encumbered or unencumbered. I am sure the member for McPherson would agree that this will be a great thing for Australian consumers.

Small business will benefit, as they will have greater access to finance at a reduced cost. The new system will enable them to use more personal property to secure finance. It will also benefit banks and financiers, who will have greater access to international finance. That will be a great thing, because the banks and financiers who lend money will have a better understanding of whether something is encumbered and it will therefore be easier to lend money to people. That benefits small business, it benefits the individual who is making a decision about purchasing something and it also benefits banks and financiers, who will be able to lend for something knowing it is not encumbered. It will also benefit banks and financiers because, as I said, they will have greater access to international finance, so this should make money cheaper. Therefore money will be able to flow to those people who are in need and able to access credit, and they can then make considered purchases—and that is a good thing. Now, more than ever, we need to ensure that our banks can access finance to boost investment in Australia. This, in turn, provides jobs and financial security for Australian families.

The bill will also slash costs and red tape, as you would expect from our consistent national approach. I particularly commend the Attorney-General and Minister Emerson, who has been doing some great work in

terms of slashing costs and slashing red tape. The amendments in this bill are very minor; however, they do show the government is listening to stakeholders and responding to their concerns. This bill will ensure certainty for all parties when the national system comes into play from October 2011. I commend the bill to the House.