

FACT SHEET

Personal Property Securities (Commonwealth Powers) **Bill 2009**

This Bill refers a range of matters relating to security interests in personal property to the Commonwealth Parliament to enable the Commonwealth Parliament to make laws about personal property securities which will apply in Tasmania.

Personal property security interests can be broadly defined to mean interests in personal property by which a creditor has the right to take or keep possession of, or otherwise deal with that property, on the default by a debtor.

Personal property covers a wide range of things – virtually any thing except land, although some rights in or related to land may also be treated as personal property. It covers all sorts of goods but also includes crops, wool, rights, interests in shares, licences and similar entitlements.

Personal property is used as collateral for loans of various types – the most common one used to be hire purchase but there are numerous other securities which are used in consumer and business transactions. Bills of sale and crop mortgages are examples of other transactions.

The development of the proposed PPS scheme has taken several years. It has been finalised under the direction of the Council of Australian Governments as part of the national business and regulatory law reform agenda and follows the success of similar reforms in New Zealand.

The scheme has been the subject of detailed consultation with the community at national level and has involved numerous consultation documents and the circulation of draft legislation and regulations. The Commonwealth has enacted legislation to give effect to a scheme which is proposed to come into effect in May 2011.

