

## SECOND READING SPEECH

### PERSONAL PROPERTY SECURITIES (NATIONAL UNIFORM LEGISLATION) IMPLEMENTATION BILL 2010

Mister Speaker, I move that the Bill be now read a second time.

Earlier this year Parliament passed the *Personal Property Securities (Commonwealth Powers) Bill 2010*, which referred certain powers and responsibilities in relation to personal property securities to the Commonwealth Government.

The *Personal Property Securities (National Uniform Legislation) Implementation Bill 2011* provides practical mechanisms necessary to facilitate the transfer of responsibility for personal property securities to the Commonwealth and to deal with the exclusion of certain property that could be used as collateral for a security from coverage by the Commonwealth Act.

The Bill allows for the transfer of information held on four Tasmanian securities registers to the new Commonwealth Personal Property Securities Register.

The Bill will repeal the *Bills of Sale Act 1900*, the *Stock, Wool and Crop Mortgages Act 1930* and the *Motor Vehicles Securities Act 1984* as the registers established and maintained by these pieces of legislation will be subsumed into the Commonwealth

Personal Property Securities Register. The Bill will also repeal those parts of the *Cooperatives Act 1999* which deal with the register of cooperative charges as the securities that would be registered there will now be registered on the Commonwealth Personal Property Securities Register.

As noted in the debate on the referral legislation there was to be ongoing discussion as to what licences issued by Tasmanian authorities should be excluded from the ambit of the Commonwealth legislation. After extensive consultation with Tasmanian Government Departments, it has been determined that only a small number of licences and leases are to be excluded from the operation of the Commonwealth *Personal Property Securities Act* because either they are unsuitable for use as a security or are subject to an existing registration scheme which achieves a similar purpose to the registration of securities in the PPS Register.

Consistent with a decision made at national level, all licences and leases issued under the *Mineral Resources Development Act 1995* are, like water licences, being excluded from the operation of the Commonwealth Act. I am advised that there is already a comprehensive, industry specific regime in place dealing with the recording of interests of third parties in licences which is nationally consistent. Therefore, the industry

does not consider that there is a need to also register interests on the Personal Property Securities Register.

Licences under the Petroleum (Submerged Lands) Act 1982 will also be excluded from the operation of PPS legislation. Currently there is one pipeline licence issued under this Act. It is a pipeline from Victoria to Tasmania and the Tasmanian end continues on from licences in Commonwealth and Victorian waters. The Commonwealth are exempting all titles under their offshore petroleum legislation so it would make no sense for the Tasmanian part of the pipeline to be captured by the PPS legislation. As the pipelines themselves run across the waters of different jurisdictions, the licences issued to allow them are not suitable for use as a personal property security.

The States and Territories that have legislated so far have excluded a significant number of licences and leases from the operation of the Commonwealth's *Personal Property Securities Act*. However it is considered that there is no sound public policy justification for this move. The Personal Property Securities Register provides a safe and easy method for registering and dealing with securities over personal property. Excluding licences and leases from the operation of PPS, particularly in the absence of an alternate method of registering the security, could be to the detriment of business people

trying to secure finance to support their business ventures. Further the range of conditions over the transfer of licences to be found in the various Acts will continue to apply to the licences and their transfer to a third party even if the security is registered on the PPS Register and has to be enforced by the financier. The State's requirements will not be affected and the various licence authorities will still exercise their powers and discretions in relation to transfers.

The Bill also makes a number of technical amendments to Tasmanian legislation so that terminology used in the Acts is consistent with the terminology used in relation to the new Personal Property Securities system.

I commend the Bill to the House.