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Ms Julie Dennett
Committee Secretary
Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
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Via email: legcon.sen@aph.gov.au

Dear Ms Dennett

I am writing to you on behalf of the Australian Motor Industry Federation (AMIF). AMIF is a federation of the various state and territory motor trades associations and automobile chambers of commerce. The Federation represents the interests of over 100,000 retail motor traders that, combined, employ over 310,000 people in the retail, service and repair sector of the Australian motor industry. That sector has an annual aggregated turnover in the region of \$160 billion, making it the largest small business sector in the Australian economy.

The purpose of my writing is in relation to the Inquiry before the Committee into the *Personal Property Securities Amendment (Registration Commencement) Bill (Cth) 2011* (the Bill). As the Committee is likely aware, AMIF – and, before it, the Motor Trades Association of Australia (MTAA) – have an abiding interest in the personal property securities (PPS) reform process; having been a party to the Attorney General's Consultative Group on PPS. AMIF's interest in this matter is further heightened given its awareness that, upon commencement of the national PPS Register, 'motor vehicle'-based registration will likely be over 50 per cent of all inputs on that Register.

While AMIF and MTAA are supportive of PPS reform, it has long expressed concerns, which are well documented, regarding a number of practical aspects of its operation. Our concerns are centered on the practical operation of the Register and its preparedness as the proposed commencement dates for the PPS Register (PPSR) draws nearer. The Committee will be aware that there have now been a number of proposed dates for the PPSR's commencement. Our belief and concern is that the latest proposed date of 31 January is also at risk of compromise, due to practical issues with implementation.

AMIF shares and acknowledges the concerns of other stakeholders with respect to the integrity and stability of the PPSR platform itself and supports the current ongoing efforts to address this area. However, the Federation must continue to express concerns on the preparedness and knowledge of all sectors of the industry in the PPSR's application on a daily basis. The Federation, its Members and the majority of their members are to be universally impacted.

These concerns have been discussed at length with the Attorney General's Department with outcomes less than satisfactory. With the transition of that responsibility to Insolvency and Trustee Service Australia (ITSA) now all but complete, it would seem to the Federation that ITSA now faces a near herculean task in addressing these ongoing concerns. Certainly, the Federation's more recent discussions with ITSA in that connection have done little to disabuse it of that view.

The Committee may well be aware that the matter of the timing of the PPSR's commencement was a topic of some considerable consideration by the Attorney General's Consultative Group. The general consensus of those discussions was that a commencement over an Easter period was the most desirable option. Absent the passage of this Bill, such an opportunity to perform the commencement of the PPSR, in circumstances by which trading, generally, is at a semi-enforced lull, will be an opportunity missed.

It is for these reasons, and others, that AMIF would support the passage of this Bill. Given the intensity of efforts currently underway in terms of ensuring the PPSR's integrity and stability, it would seem to the Federation that a commencement date at Easter 2012 would be of considerable assistance in ensuring that stability. This would also allow ITSA more time in its 'marketing', communication and educative efforts around the PPSR.

It is the Federation's considered view that more time is required if the Government is to avoid the pitfalls of yet another scheme potentially failing due to a rush to implement. The Federation also considers, however, that any subsequent announcement of the PPSR's date of commencement needs to be sufficiently immutable as to stand as a fixed goal in need of attainment by all parties. A fixed commencement date on the Tuesday after the 2012 Easter break will, in the intervening months, ensure stability in the PPSR itself, as well as the opportunity to provide the sector with adequate education for a successful implementation. The Federation stands ready to assist ITSA with any marketing, education and implementation process dialogue appropriate to its Members.

I thank the Committee for the opportunity to make a submission to this Inquiry. If there is any further assistance that you think I can provide in this matter, please do not hesitate to contact me.

Yours sincerely

RICHARD DUDLEY
Chief Executive Officer

9 November 2011