



11/24473

15 November 2011

Ms Julie Dennett  
Committee Secretary  
Senate Standing Committees on Legal and Constitutional Affairs  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Via e-mail: LegCon.Sen@aph.gov.au

Dear Ms Dennett

**Inquiry into the Personal Property Securities Amendment (Registration Commencement) Bill 2011**

I refer to the Department's earlier submission of 9 November 2011, and the questions on notice that have been provided to the Department for response. The questions are set out below, with the Department's responses.

**A number of suggestions about commencement dates have been made in submissions, including waiting until the Tuesday after Easter. Can the Department outline the features being used to choose a starting date? Do you have any further response to suggestions about the commencement date?**

Under the *Personal Property Securities Act 2009*, the registration commencement time (RCT) is effectively no later than 1 February 2012, unless the Bill is passed, and the Attorney-General determines a later time. 1 February 2012 is a Wednesday, which is not a practical start time for a number of reasons. This is why the Department's and industry's planning for RCT has been on the basis of 30 January 2012 (a Monday).

Data will be migrated to the PPS Register from 23 existing registers. They include the ASIC Register of company charges, the various State Registers of Encumbered Vehicles and Vehicle Security Registers, and State and Territory Bills of Sale, stock mortgage, and other Registers. After migration is concluded, and the last data file loaded into the PPS Register, there is further technical work that needs to be done for the PPS Register to start operating.

To minimise the impact on business, the existing registers will stop processing registrations from the close of business on Friday, 27 January 2012, and the PPS Register will start operating on Monday, 30 January. This means there will only be two weekend days where business cannot register or search for charges or other security interests on a register.

There has been considerable engagement with industry on the commencement date, and 30 January was arrived at with the agreement of industry, as well as other key stakeholders, including the States and Territories. However, the amendment in the Bill is required to mitigate the risk that something

unforeseen happens between now and 30 January 2012 which means commencement needs to be later.

The Department understands that the Australian Motor Industry Federation has expressed concerns about the lack of awareness in the motor industry generally about PPS reform, and has called for additional work to be done on communication with the industry. They have indicated more time may be needed to raise awareness before PPS commences. In that regard, the Insolvency and Trustee Service Australia has engaged with the AMIF and the MTAA (Motor Trades Association of Australia) about these concerns and is working with these industry bodies in developing information products tailored to the industry. They will include fact sheets for the following motor trades:

- Spare parts
- Smash repairers
- Motor vehicle lease and rental providers (for example, Hertz), and
- Motor vehicle sales – commercial and private, new and used.

These fact sheets will be available on the [ppsr.gov.au](http://ppsr.gov.au) website, and will also be provided to the industry bodies for dissemination throughout the industry.

Articles have been submitted and continue to be developed for the eight State and Territory motor clubs under the AAA (Automobile Association of Australia).

**The need for a further awareness campaign has been raised in submissions. Would the Department provide details of any anticipated awareness campaign – dates, nature of campaign, costs, etc?**

The Department has developed a communications campaign to raise awareness of PPS reform to complement its commencement. The Independent Communications Committee (ICC) has advised the Secretary of the Department that the campaign complies with the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies - March 2010* (the Guidelines) as issued by the Department of Finance and Deregulation. The campaign will be significantly targeted towards SMEs and their advisers and will also include a consumer component.

The campaign is proposed to begin the week commencing 22 January 2012, and will continue until June 2012. The advertising will comprise national radio, print and online advertising. The approximate cost is \$1.2 million (excluding GST), which is within the 2011-12 campaign budget of \$1.602 million. As an example, it is anticipated that online advertising will be placed on sites such as [carsales.com.au](http://carsales.com.au).

**In your submission, you state that the second cycle user acceptance testing was due to be completed on 11 November 2011 (p. 1). Can you please advise the committee of the outcome of that testing (preliminary results or otherwise) and whether, in light of this outcome, the Department continues to expect commencement of the Act on 30 January 2012.**

User acceptance testing was completed on 11 November 2011 as anticipated, with no critical defects identified. Some moderate level issues were identified, for which we are planning solutions



to be effective before 30 January, or shortly after. In terms of lower priority issues, defects that will only be resolved after RCT, discussions with stakeholders have confirmed that they reflect non-critical functionality of the PPS Register, and there are acceptable workarounds.

There are a number of lower level issues that are largely cosmetic and do not relate to the core functionality of the PPS Register, which is the registering of security interests, and the ability to search for security interests. There is a plan in place to address these issues at a later time.

Based on this, the Department is confident in the operation of the PPS Register, and we continue to plan for commencement on 30 January 2012.

Yours sincerely

Matt Minogue  
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Civil Law Division