

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S PORTFOLIO

Group: 2

Program: 1.1

Question No. AE15/045

Senator Dastyari asked the following written question from the 24 February and 27 March 2015 hearings:

1. What is the purpose of the PPSR?
2. Why does the AG have responsibility for the PPSR?
3. Who (or which company) designed the User Interface for the PPSR?
4. How was the User Interface tested before it went public?
5. What public consultation did the designers of the PPSR do before it went public?
6. What additional public consultation has the AG's department done since the PPSR went public?
7. Have you received complaints about the difficulty of using the PPSR?
8. What is the nature of these complaints?
9. How do you distinguish feedback, from complaints?
10. Is anyone giving you feedback that the Register is easy to use?
11. How many complaints the AG's department has received about the PPSR?

The answer to the honourable senator's question is as follows:

1. The Personal Property Securities Register (PPSR) provides a single online noticeboard for people in Australia to:
 - register and search their security interests in personal property to:
 - manage and protect those interests from risk and/or
 - gain access to finance, and
 - search to see if personal property is covered by a security interest that may mean, for example, it can be repossessed.
2. The Australian Financial Security Authority (AFSA) is responsible for the administration of the PPSR. The Attorney-General is responsible for the administration of the *Personal Property Securities Act 2009* (PPSA) by virtue of the most recent Administrative Arrangements Orders. There is a functional alignment between the Attorney-General's policy

responsibilities for substantive civil justice policy in areas such as personal property securities and AFSA's role in disseminating information about legal rights relevant to this area.

3. Via an open tender process, KAZ Group was selected by the Attorney-General's Department (AGD) as contractor to design and build the PPSR in November 2008. Fujitsu Australia Ltd acquired KAZ Group Pty on 1 May 2009.

AGD also provided input on the design of the User Interface.

4. An extensive period of user acceptance testing (UAT) was undertaken. UAT of the PPSR commenced on 9 August 2011, as a joint effort between AGD, AFSA and industry participants. That UAT phase continued until the system was made available to the public. UAT was performed to ensure that the delivered system met the agreed business requirements and functioned as expected. UAT was performed by executing scenarios (structured test cases and sequenced activities) of which more than 200 were developed and followed the extensive systems and integration testing activities conducted. UAT was undertaken in several rounds with issues being addressed followed by another round of testing, to ensure that issues were resolved. In addition to the formal UAT periods that were built into the program design, the PPSR project also included a purpose built "discovery environment". The purpose of that discovery environment was to provide government and industry participants the capacity to test aspects of the Register design and operation during its development stages.
5. A series of consultation forums involving banks, finance companies, insolvency practitioners, the Law Council of Australia, information brokers and others were conducted. There was a program of outreach to professional associations and advisers including law societies and accounting professional associations to ensure that they were in a position to pass on high quality information about the framework to individuals who needed to understand it. In addition, the Personal Property Securities Branch (PPS Branch) of AGD formed a number of significant issues groups which involved the PPS Register project team (also within AGD) and participants from industry. The purpose of those groups was to consult in order to identify issues in detail and work through appropriate solutions with stakeholders and experts.

The PPS Branch undertook an Australia-wide stakeholder engagement program from 2009-2011. This included face-to-face meetings, seminars, conferences and a PPS Road Show that toured all states and territories in May and June 2011 (73 events were held) in which AGD officers explained the changes at regional and city centres. The focus of the roadshows was to provide information to small and medium enterprises.

In the lead-up to the PPSR being launched, AGD produced a series of communication strategies to plan for the public awareness activities leading up to, and after the launch of the PPSR. AGD also conducted market research to inform its communications strategy development, including:

- developmental market research – July 2009 – Open Mind Research Group
- concept testing research – April 2010 – Open Mind Research Group
- advertising concept testing – March and July 2011 – Di Marzio Research
- benchmark research – March/April 2011 – Di Marzio Research.

The PPSR information website commenced operation in 2011 and as part of AGD's public awareness campaign fact sheets were developed and published. Key messages and materials, such as posters and advertisements (print, online, radio) were developed and finalised in preparation for the public launch of the website and register in January 2012.

AGD consulted with the Department of Finance's Communications Advice Branch (CAB) throughout the process as required by whole-of-Government guidelines and the launch campaign was compliant with Australian Government requirements.

6. The major consultation has been the statutory review of the Act, which the Attorney-General announced on 4 April 2014. Mr Bruce Whittaker conducted the review and the final report was tabled before Parliament on 18 March 2015.

Stakeholders were able to make submissions at two stages of the review, and to submit responses to four separate consultation papers. In all, the review received over 170 submissions and responses, from a wide range of stakeholders including industry organisations, individual businesses, law firms and law societies, government bodies representing business, consumer and privacy interests, and members of the academic legal community.

The final report of the review includes extensive recommendations on how to improve the personal property securities system, including simplification of the Act and of the PPSR, as required by the terms of reference for the review. The final report is available at the AGD website (www.ag.gov.au/ppsareview).

AFSA has administered the PPSR since it commenced on 30 January 2012. AFSA regularly engages with PPSR stakeholders through specially established forums, which meet every 6 months. These forums are structured in tiers to capture peak body feedback and inputs to the effectiveness of the PPS regime and to represent users of the system through peak body nominees to consider the efficiency of the operation of the technology, discuss solutions to operational issues and prioritise future enhancements to the technology (including user interface).

7. AFSA has received some complaints about the difficulty of using the PPSR, particularly in the period immediately after the PPSR commenced in January 2012. These complaints related to interpretation of new information, including new technical legal concepts.

AFSA also received complaints from some one-off users who found the process of performing a motor vehicle search confusing. In response, AFSA created a streamlined Quick Motor Vehicle Search which reduced complaints by over 60%.

AGD has received fewer than 20 complaints that the PPSR is difficult to use.

8. These complaints are either of a general nature, detailing the correspondent's difficulty in engaging with the register as a whole, or explaining that a specific element of the register has not allowed the user to achieve their intended outcome.

A large proportion of complaints received by AFSA were from casual (one-off) users who found the process of performing a motor vehicle search confusing. Other complaints related to issues such as the technical language and concepts of the PPSR, when or if the PPSR should be used, system issues, fees or customer service.

9. AFSA collects feedback, complaints and compliments, while AGD receives correspondence in a variety of formats. Complaints tend to be quite specific in nature, express dissatisfaction and require a response. A complaint may be evident in the language used, eg. 'I am writing to complain.'
10. AFSA works closely with stakeholders to provide enhancements to the register within the statutory framework and has been internationally recognised through the presentation of a Merit Award for co-design by the International Association of Commercial Administrators.

Since AFSA introduced a simplified Motor Vehicle Search option in October 2013 (Quick Motor Vehicle Search), casual user complaints relating to the complexity of the register have dropped significantly. Users are now provided with simplified results, with a copy of the certificate and fact sheet emailed directly from the register. The significant drop in complaints received by AFSA since the introduction of this feature could be interpreted as evidence that PPSR users are now finding it easier to use (see graph below).

11. AGD has received 18 complaints since the commencement of the PPSR on 30 January 2012.

AFSA has received 432 complaints since commencement of the PPSR on 30 January 2012.

Since 1 January 2015, AFSA has received 8 complaints. The graph below illustrates the reduction in complaints received by AFSA since the register commenced.

