



9 November 2011

Ms Julie Dennett
Committee Secretary
Senate Standing Committee on Legal and Constitutional Affairs

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

The Australian Institute of Credit Management (AICM) appreciates the opportunity to make a submission to the Senate Standing Committee on Legal and Constitutional Affairs regarding the Personal Property Securities Amendment (Registration Commencement) Bill 2011.

AICM appreciates that the development of a large and complex online facility such as the Personal Property Securities Register (PPSR) requires sufficient time, resources and testing prior to its commencement and utilisation by stakeholders. The efficient and effective functioning of the PPSR will be crucial to industry take up and ongoing utilisation.

However, AICM is very concerned at any further delay from the originally proposed migration time and registration commencement time which was initially May 2011 and subsequently October 2011 will be detrimental to the members of our Institute and the credit industry.

A considerable proportion of our membership provides business-to-business (commercial) credit facilities. Currently this provision of credit is governed by a plethora of Federal, State and Territory legislation with complex and differing compliance regimes. Simultaneously AICM members have been preparing for the introduction of the *Personal Property Securities Act 2009* (PPSA). This preparation has resulted in costs to organisations in terms of both time and money which has yet to produce any return on their investment.

Further delay will also mean the AICM members are being denied the opportunity to avail their organisations of legal remedies that will be available under the PPSA this situation is unsatisfactory. More effective credit risk management is also being impeded by the further delay in migration time and registration commencement time as credit personal are have to continue to make credit decisions in the absence of the information that will be available on the PPSR.

AICM has conducted an extensive education program across Australia of over 40 briefings, seminars and workshops to the credit industry since the Consultation Draft PPS Bill was released in 2008. The credibility of the PPSA and the PPSR is at risk amongst AICM members if there is further delay.

AICM appreciates that there is a need for a stable and reliable platform for the PPSR however, AICM is concerned that if the PPSR is delayed until it is "perfect" it will never be implemented.

AICM recommends to the Senate Standing Committee that there should be no delay in the implementation of PPSA and the PPSR and that the migration time should remain as 1 January 2012 and that registration commencement time should be 1 February 2012.

Yours sincerely

A handwritten signature in black ink, appearing to read "Del Cseti". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping tail.

Ms Del Cseti
Manager External Affairs