

MEDIA RELEASE



**Hon. John Hatzistergos MLC
Attorney General
Minister for Citizenship
Minister for Regulatory Reform**

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Laws to better protect businesses and the community borrowing using personal property

The NSW Government is bringing Australia a step closer to having one system of regulating the use of personal property to secure finance, passing laws that assist the commonwealth implementation of a national register of interests for personal properties securities.

“The new laws will assist the Commonwealth implement a single national law that will create a uniform and user friendly approach to personal property securities and better protect businesses and the community,” Attorney General John Hatzistergos announced today.

“Secured finance using personal property is a major area of business for Australia’s banking and finance sectors.”

“Lenders often take a security interest in a borrower’s personal property (such as cars, furniture and livestock) to ensure they are not left out of pocket if the borrower defaults on a loan,” Mr Hatzistergos said.

“However, the regulation of personal property securities has been hindered by overlapping or inconsistent laws and registers. There are currently more than 70 personal property laws and 40 registers operating in Australia.”

With the cooperation of NSW and other states and territories, the Federal Government will introduce a national online register of interests in personal property securities.

The single national register will replace most existing registers such as the Register of Encumbered Vehicles (REVS). It will also allow lenders to register some personal property securities, for which there is currently no registration scheme.

Mr Hatzistergos said the online register will be publicly accessible and will allow for more effective screening of borrowers.

“The register will provide lenders with an easy way to make sure that personal property offered as security by a borrower is not already the subject of a security interest,” Mr Hatzistergos said.

“It will allow prospective buyers of property to check whether the item is carrying a debt.” Mr Hatzistergos said unifying personal property security laws would reduce uncertainty for lenders and borrowers.

“The national scheme will make the financing of personal property clearer, cheaper and less time consuming which will benefit businesses, individuals and consumers,” Mr Hatzistergos said.

Personal property is defined as almost any asset other than real estate (real estate is covered by a separate system). It can include less tangible property such as patents and copyrights.