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# Personal Property Securities Register

## *Dun & Bradstreet Submission*

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Dun & Bradstreet welcomes the opportunity to provide its views on the proposed Personal Property Securities Register (PPSR) pricing structure. Our submission focuses on two primary areas:

- A broker pricing model
- Accessibility and cost of registered charges information.

Dun & Bradstreet believes the current proposals will result in unintended consequences for the Attorney General's Department (AGD), third party system users (brokers) and credit providers. Accordingly, we make the following recommendations:

**Recommendation 1:** That the Attorney General's Department develops and implements a two tier PPSR pricing model, which provides a lower per unit price for brokers than for parties that utilise the PPSR service directly through the AGD's web portal

**Recommendation 2:** That the registered charges summary which is available under the current system continues to be available under the new model

**Recommendation 3:** That the entire suite of registered charges is accessible in a single transaction and a standard price is charged for this record regardless of the number of registered charges listed in the report (consistent with the current system)

### **Broker pricing model**

Current proposals put forward by the Attorney General's Department indicate the new PPSR will operate under a single tier pricing model, which will not include a discounted pricing option for third party users (brokers). Although Dun & Bradstreet understands the AGD is seeking to provide fair and equitable access to the PPSR for all Australians, we believe this approach will result in significant and potentially unexpected support requirements for the AGD.

Third party users are commercial entities who, like the AGD, are seeking to recover the costs of their investment in system development which allows



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connectivity to the PPSR. Accordingly, they are required to add a margin to the cost of a search on the register.

However, this will result in brokers charging a higher cost than the AGD and will likely to result in high volume users (such as credit providers) accessing the PPSR directly (through the AGD's web portal). This high volume of direct searches will place a significant amount of pressure the on AGDs system and will also require substantial investment in a highly trained customer service team. To alleviate these issues, Dun & Bradstreet recommends the Department develops a broker pricing model in consultation with relevant parties.

**Recommendation 1:** That the Attorney General's Department develops and implements a two tier PPSR pricing model, which provides a lower per unit price for brokers than for parties that utilise the PPSR service directly through the AGD's web portal

### **Accessibility of registered charges information**

It is anticipated that the functionality and pricing structure of searches run under the new PPSR will differ quite significantly from the current system. Dun & Bradstreet is of the view these changes could detrimentally impact the level of usage (and consequently the AGDs cost recovery plan) of the new PPSR.

A search of the current register works in the following way:

- A search query returns a summary of all relevant registered charges (within the single search price). This provides the details on the grantor and secured party (name and any company identifier such as ACN, ARSN, ARBN), the charge number, date and time the charge was registered, the status of the charge, the document number the charge was registered by and the charge type (fixed, floating or fixed and floating).
- The user selects the charges they wish to view in full and a fee is charged for each individual search.

However, examination of the B2G specification suggests that under the new PPSR, the initial summary will not be returned (the initial search notifies the user there are charges on the register for the grantor and the next step in the search process is to extract full details on each registration). There are a number of issues associated with this system:

- Users will be unaware how many records they need to purchase (and hence will not know up front the cost associated with their search)



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- Users will be forced to pay more for searches as each charge must be purchased separately

Dun & Bradstreet argues these issues are likely to result in substantially decreased usage of the system and consequently makes the following recommendations:

**Recommendation 2:** That the registered charges summary which is available under the current system continues to be available under the new model

**Recommendation 3:** That the entire suite of registered charges is accessible in a single transaction and that a standard price is charged for this record regardless of the number of registered charges listed in the report (consistent with the current system)

**Further information:**

Jane Wilson  
Director – Data and product Management  
02 8270 2916  
wilsonj@dnb.com.au