



The new 'regulator operator model' for the NSW land title system

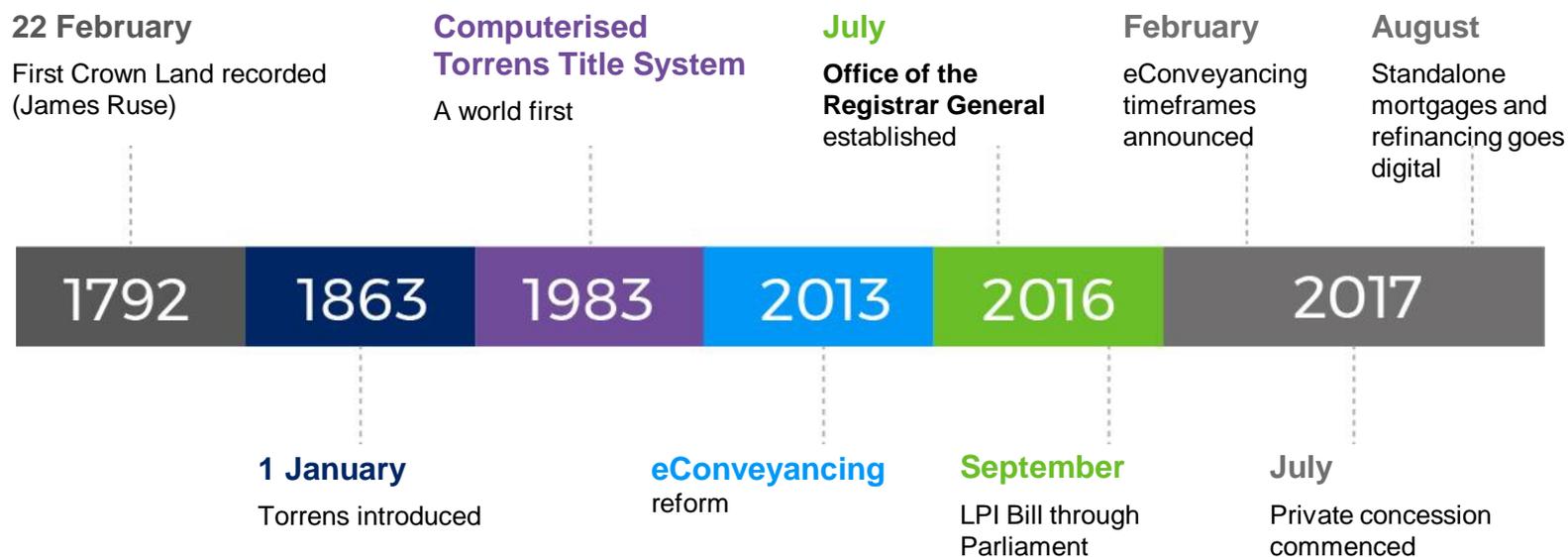
**Sydney Business Chamber
CEO Leadership Roundtable Lunch**

Jeremy Cox
NSW Registrar General

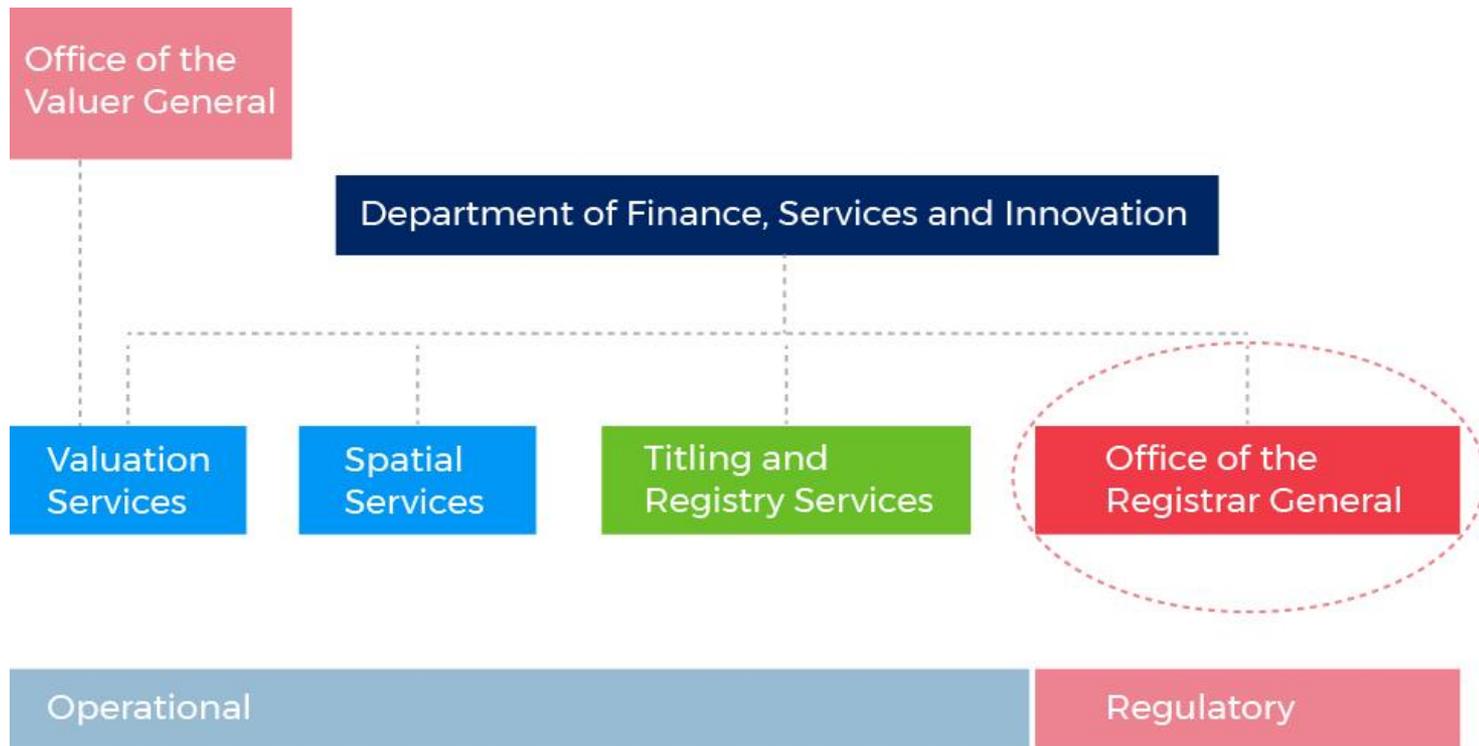
13 February 2018



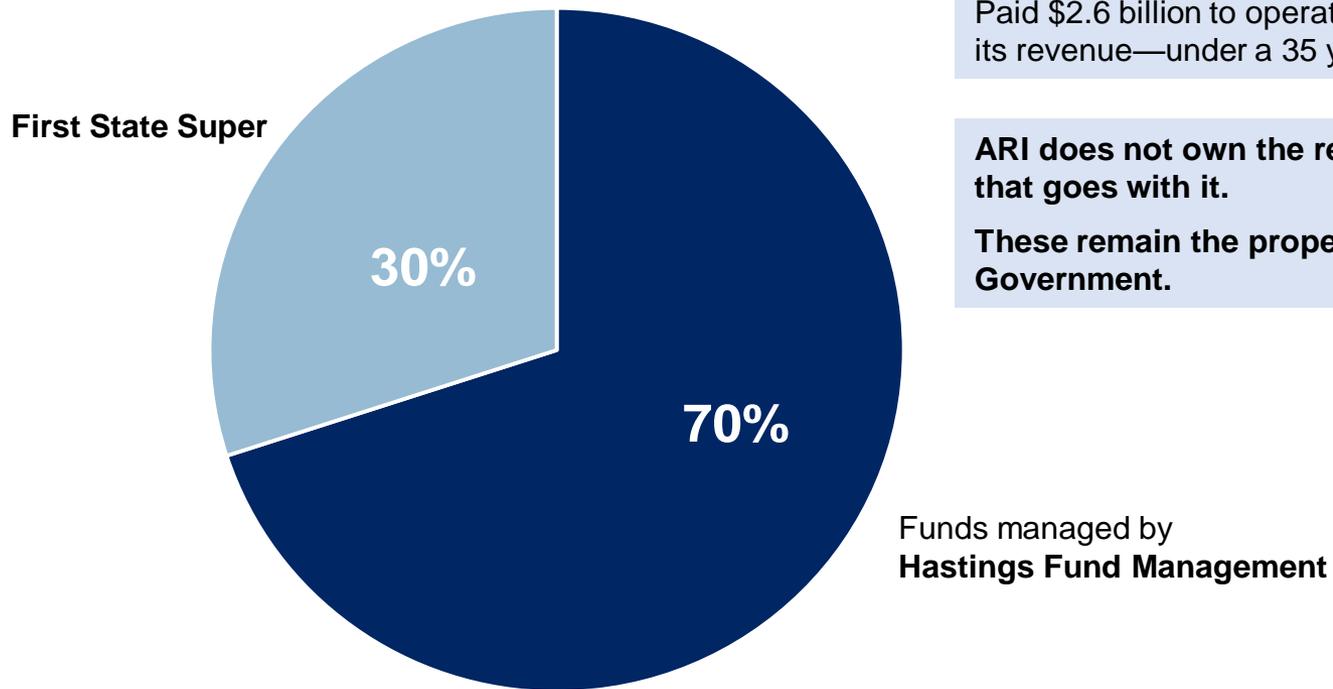
The new regulator operator model is the next step in a constantly improving land title system



The NSW Government introduced the regulator operator model to drive an efficient, digital and customer focused land title system



NSW Treasury selected Australian Registry Investments (ARI) to operate NSW's land title system for 35 years



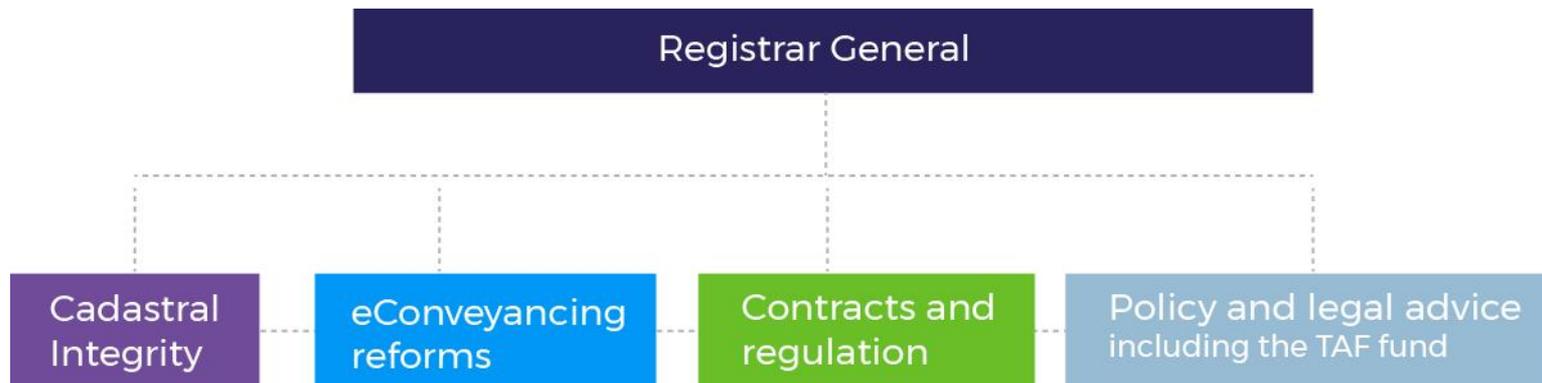
Paid \$2.6 billion to operate LPI—and receive its revenue—under a 35 year concession*.

ARI does not own the registry or the data that goes with it.

These remain the property of the NSW Government.

*A 'concession' is when a private business pays the government to operate a public asset for a specific period of time.

The Office of the Registrar General is a regulator, advisor and litigator, working to ensure the integrity of NSW's land title system



The Office of the Registrar General's regulatory focus will be on making sure the operator delivers ongoing improvements to customers

Regulator objectives

- ✓ Maintain integrity, security performance and availability of registers, core services and systems
- ✓ Ensure registers are accurate and up to date
- ✓ Maintain confidence with customers and NSW public
- ✓ Promote improvements, innovation and increased efficiency using greater expertise and investment in technology
- ✓ Minimise errors and frauds
- ✓ Protect current competition in down stream services



And we have new powers that don't exist in other Australian states, and in most overseas jurisdictions, to manage these risks

Registrar General	Minister
Reserve powers	Step in
Administrative review	Termination
Civil penalty tied to KPIs	Handback



We have targeted controls to manage risks related to a private monopoly provider of a core service

Some other controls in response to issues raised by stakeholders

Prices	CPI cap
Privacy	Commonwealth and state legislation
Fraud and errors	TAF remains. No change in risk profile
Security	ISO standards (270002), audits and testing



Our controls give the State the right tools to detect and assess issues and risks before they materialise



Reporting	Reviews	Risk management	Security testing	Quality assurance
Incident management	Annual review of performance	Report to RG on risk controls	Vulnerability scans & penetration tests	Standard data feeds
Business continuity and business plans	Major review (3 to 5 years)	Access to staff, locations, procedures	Security standards ISO	Tools to measure performance
Technology roadmap	Ad hoc reviews & spot checks	Risk register and report to RG	Monitoring, scanning & assurance tools in systems	Auditable record of performance

A primary driver for the Government seeking a private operator was to bring new investment, innovation and technology

“People expect to manage their lives around technology. They want greater access, fewer errors, more transparency. The Government wants this reform to make NSW’s land title system meet a rapidly changing world. To make things better for business and better for the consumer”.



**The number of internet devices
in 1984 was 1,000**



The operator has started the process of upgrading the technology that supports the registry

1. Upgrade of the registry's core systems



2. Investment in new, innovative 'non-core' services

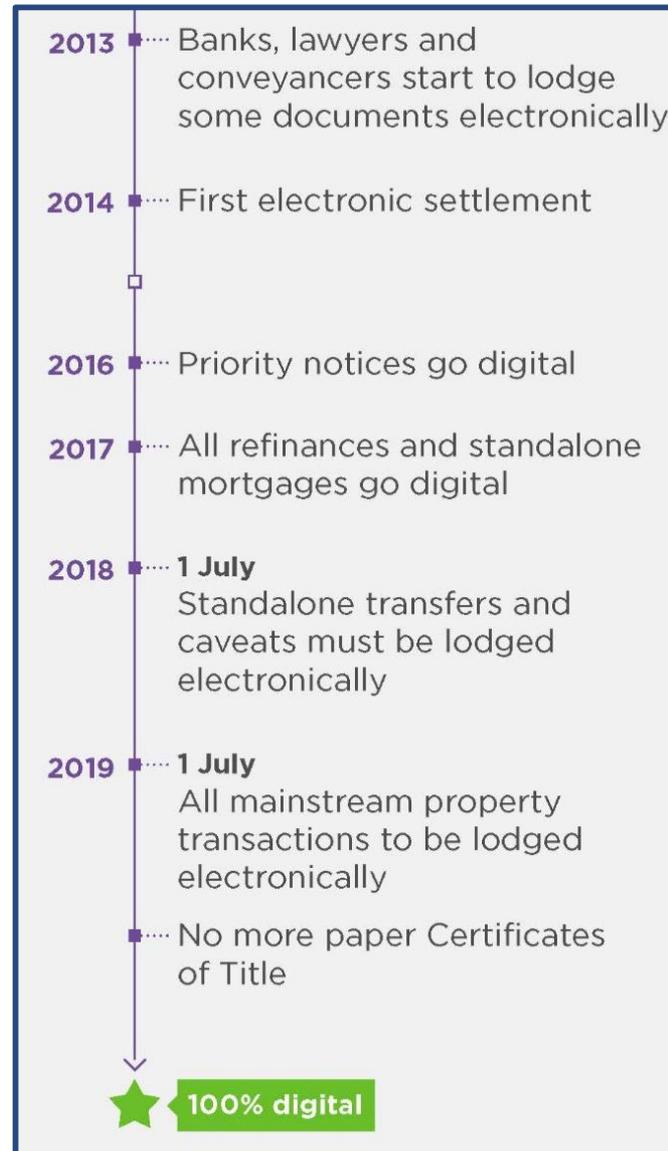


A more secure, efficient, customer focused system

- ✓ Fewer errors and fraud
- ✓ Registry available 24/7
- ✓ Records more easily accessible to customers online
- ✓ New innovative services



With eConveyancing, we are midpoint along the timeline for moving mainstream documents digital



The benefits for solicitors and conveyancers are substantial

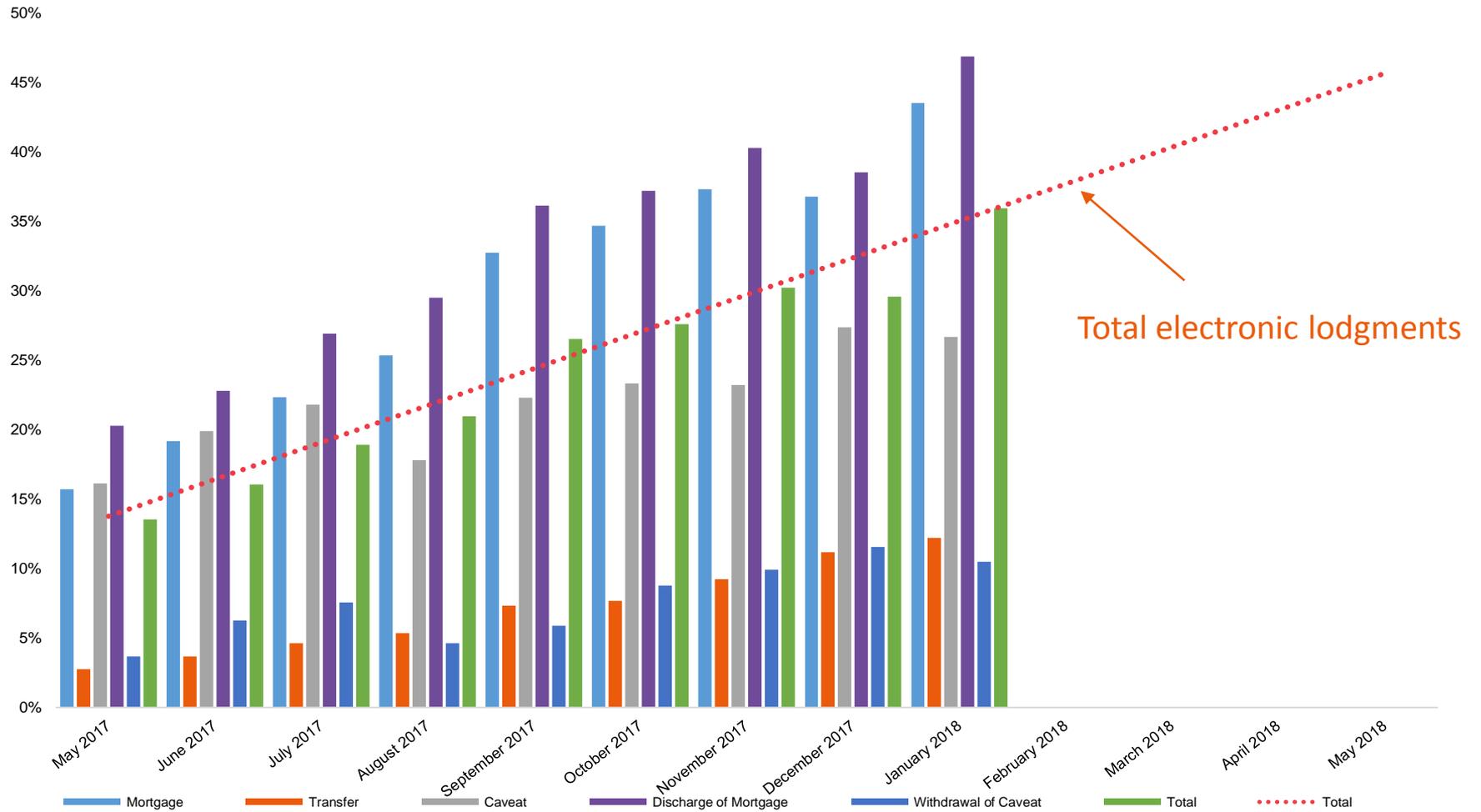
Independent analysis on benefits for lawyers & conveyancers

- Up to 75 per cent time savings per transaction
- Eliminates almost all risks associated with human error
- No longer need to attend settlement
- Don't have to spend time on hold when contacting other parties
- Interests are registered instantaneously on settlement
- Settlement day is more certain
- Funds from the proceeds of a sale are available much sooner.



“The other day I settled a transaction from Hawaii”

Industry is starting to embrace eConveyancing



The Government is considering how to make the full conveyancing process digital

Pre-Exchange

Activities up to exchanging contracts is still paper heavy. Looking at ways to remove barriers in 'pre-exchange' stage: contract preparation, negotiations, and exchange.

Pre-Settlement

- Discharge authority
- Requisitions on title
- Transfer documents
- Settlement adjustment
- Mortgage discharge
- Booking settlement

eConveyancing

Post-Settlement

- Sending orders to the real estate agent
- Title transfer registered

Settlement

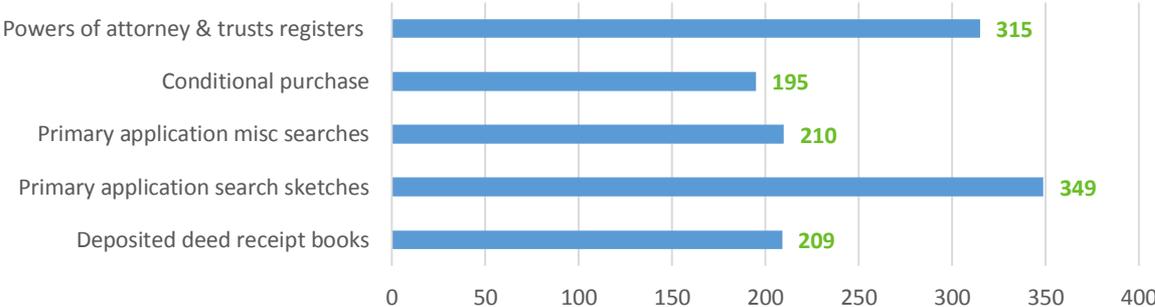
- Settlement funds
- Attending settlement

Digitalising old land title registry documents dating back several centuries will make it easier to search the registry

Target

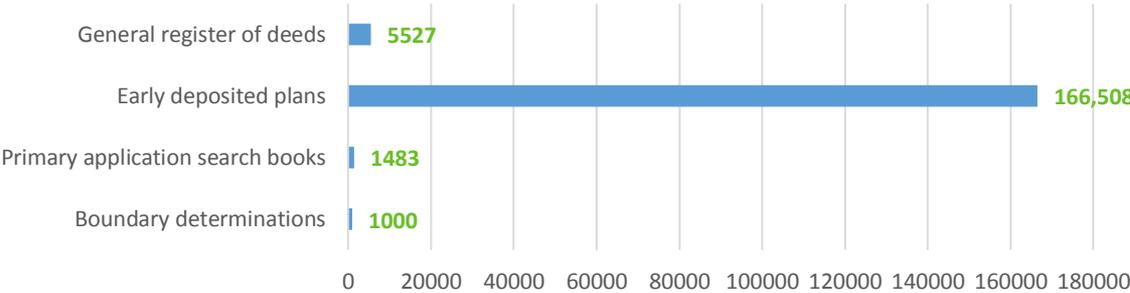
Deed receipts, primary application sketches and searches, conditional purchase and powers of attorney

- Apr-18
- Jun-18
- Aug-18
- Dec-18
- Dec-18

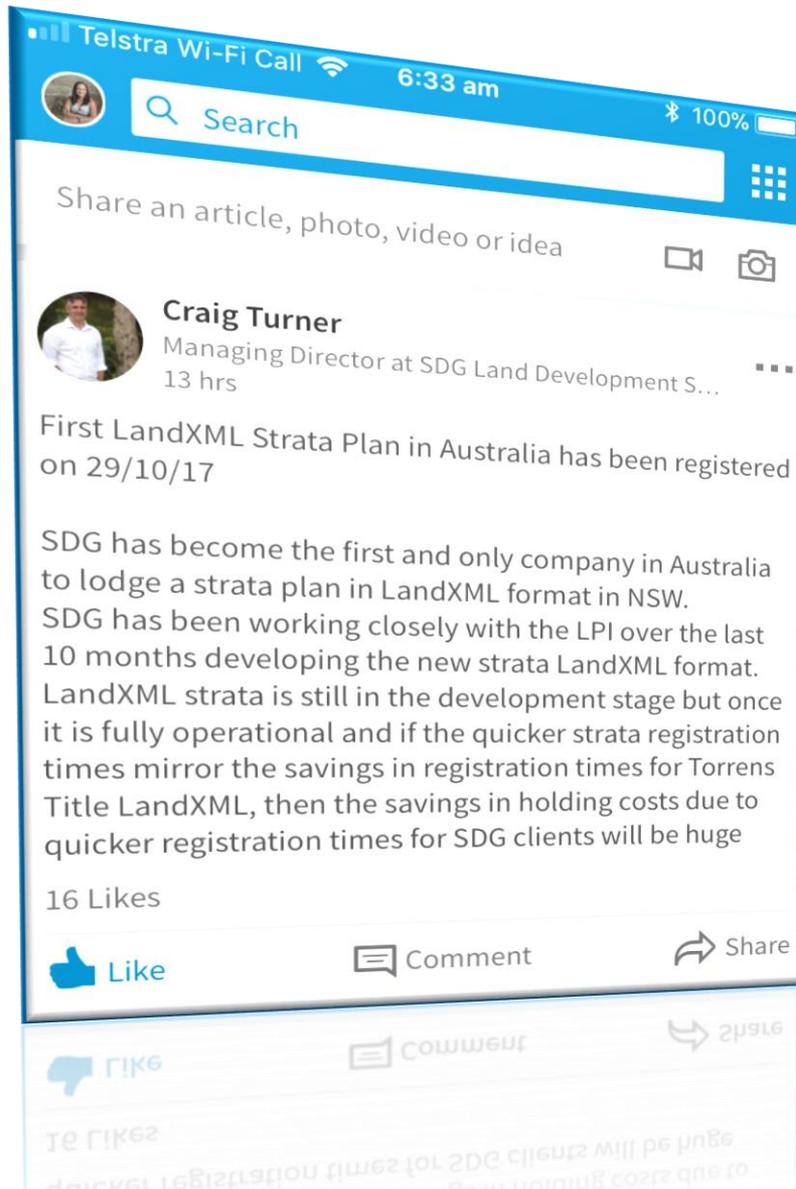


Primary applications, deposited plans and general register of deeds

- Mar-19
- Dec-18
- Dec-18
- April-18



We will support the take-up of digital survey plans to make registering plans in NSW a faster, more accurate process

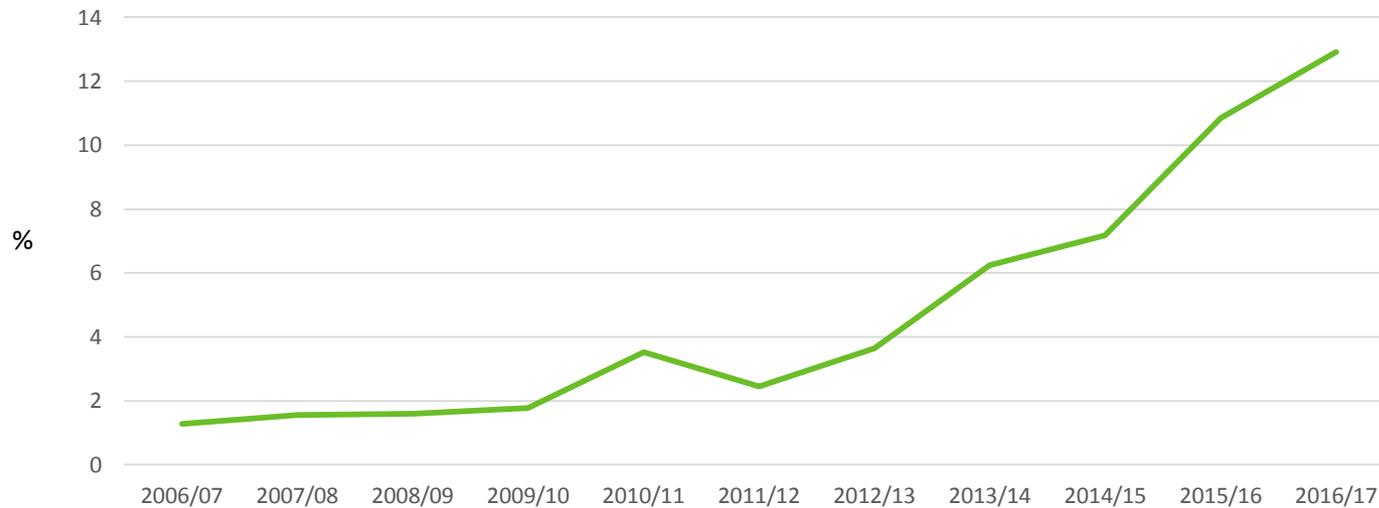


“Around 70% of plans lodged with LRS have an error”

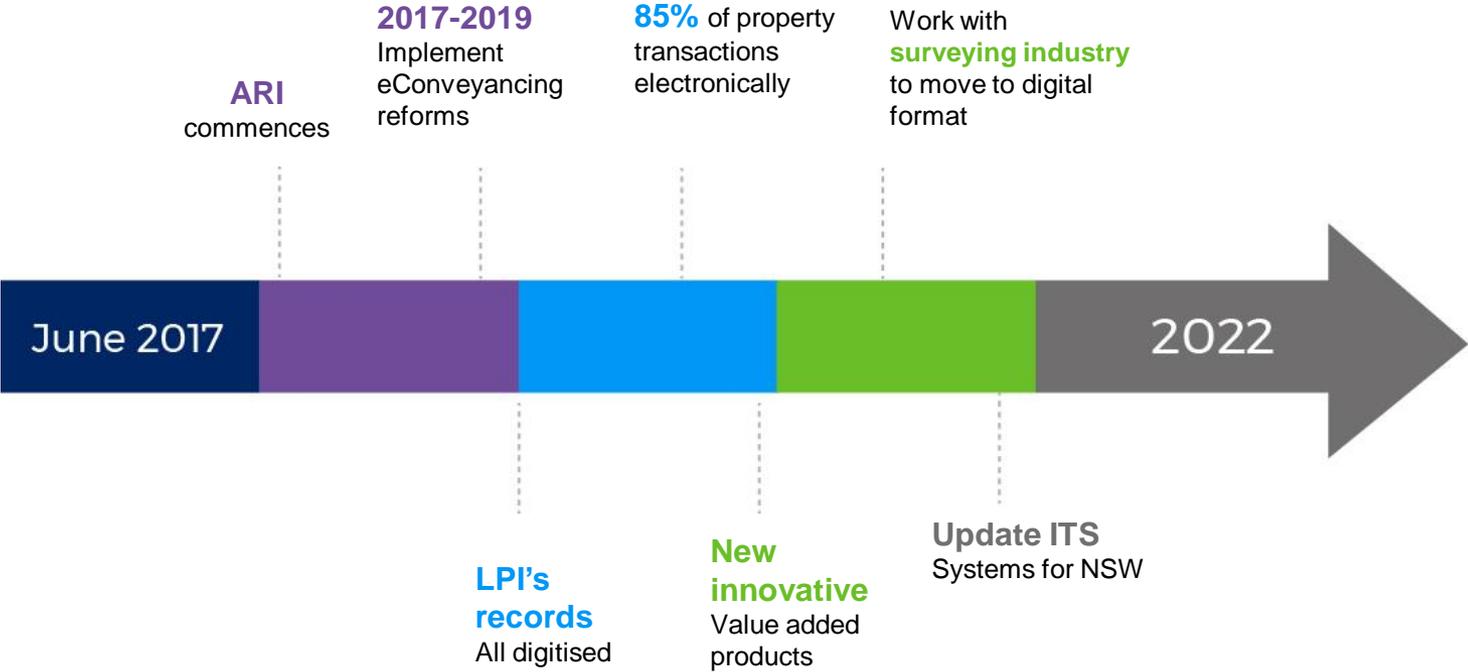


The Government is considering options to further strengthen protections for off-the-plan purchasers.

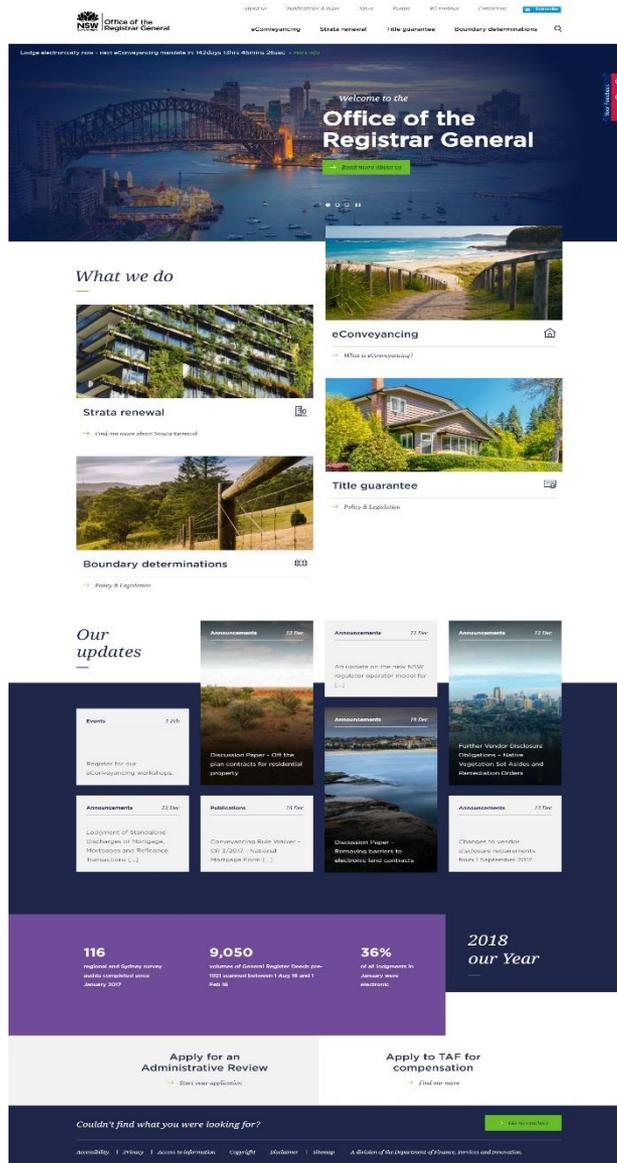
Big increase in off-the-plan sales relative to total residential sales



In summary, we are supporting the Government's objective to digitise land transactions in NSW



Thank you and questions



- ✓ Visit the ORG website

www.registrargeneral.nsw.gov.au

- ✓ Email ORG

ORG.Admin@finance.nsw.gov.au

- ✓ Subscribe to ORG emails

