Practitioners’ update: eConveyancing & Regulation of the land titles system

Office of the Registrar General
Jeremy Cox, NSW Registrar General

17 June 2017

www.finance.nsw.gov.au
The land titles system has evolved over time

22 February 1792
First Crown Land recorded (James Ruse)

1 January 1863
Torrens introduced

1790

1 January 1863
Torrens introduced

July 2016
E-conveyancing reform (2013)

New Office of Registrar General established

E-conveyancing timeframes announced (Feb 2017)

LPI Bill through Parliament (Sept 2016)

Dec 2017

Standalone mortgages and refinancing goes digital (Aug 2017)

New private concession announced (April 2017)

Computerised Torrens Title System – a world first (1983)

Computerised Torrens Title System – a world first (1983)
NSW has introduced a new regulator operator model to drive an efficient, digital and customer focused land title system.
NSW Treasury has selected Australian Registry Investments (ARI) to operate NSW’s land title system for 35 years

**ARI consortium**

- Funds managed by Hastings Fund Management (total 70%)
  - This includes 20% stake held by RBS Group Pension Fund
- First State Super (30%)

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 specified period of time.
ORG is a regulator, advisor and litigator, working to ensure the integrity of NSW’s land title system.
ORG’s regulatory focus will be on making sure the operator meets the deed’s objectives

**Deed’s objectives**

1. Maintain integrity, security performance and availability of registers, core services and systems
2. Ensure registers are accurate and up to date
3. Maintain confidence with customers and NSW public
4. Promote improvements, innovation and increased efficiency using greater expertise and investment in technology
5. Minimise errors and frauds
6. Protect current competition in down stream services
The NSW regulator has new powers that don’t exist in other Australian states, and in most overseas jurisdictions.

### Registrar General
- Reserve powers
- Administrative Review
- Civil penalty tied to KPIs

### Minister
- Step in
- Termination
- Handback

### Some other controls in response to issues raised by stakeholders
- Prices
- Privacy
- Fraud and errors
- Security
- CPI cap
  - Commonwealth and state legislation
  - TAF remains. No change in risk profile.
  - ISO standards (270002), audits and testing
ORG will work closely with the operator to ensure the move to digital continues to be a seamless experience.

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<tr>
<th>Digitalisation of core services</th>
<th>New, innovation ‘non-core’ services</th>
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<tbody>
<tr>
<td>• Econveyancing</td>
<td>RG powers:</td>
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<td>• Forth coming upgrade of LPI’s core systems</td>
<td>• Has to approve</td>
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<td>• Digitalisation of cadastral plans</td>
<td>• Review proposed pricing</td>
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<td>• Digitalisation of records</td>
<td>• Require consultation</td>
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<td>• Negotiate non-core becoming a core</td>
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A more secure, efficient, customer focused system. Fewer errors, less fraud, registry available 24/7, records more easily accessible to customers online and new innovative services.
Industry has been working closely with government on the rollout of eConveyancing in NSW

“…By July 2019, all standard property transactions in NSW will be conducted electronically, and all Certificates of Title will be phased out in favour of e-Titles.” Victor Dominello, Minister for Finance, Services and Property

Conveyancing reform committee: Law Society of NSW; Australian Institute of Conveyancers (NSW); Australian Bankers Association; Mortgage and Finance Association of Australia; Customer Owner Banking Association; Australian Finance Conference; Property Exchange Australia Ltd

“Conveyancers are actively engaged in training and planning the integration of their work practices to develop their electronic capabilities. The NSW government announcement of its timetable to e-conveyancing provides the required endpoint to which they can build their capability,” Mrs Cheryl Alt, President of the Australian Institute of Conveyancers NSW Division
What’s happened to date (Stage 1)

October 2013
Who? Big four banks and others (optional)
Mortgages & Discharges

November 2014
Who? solicitors & conveyancers (optional)
Transfers, Caveats & Withdrawals of Caveat
First electronic settlement

November 2016
Who? everyone (mandatory)
Priority notices

1 March 2017
Who? Authorised Deposit-taking Institutions (ADIs)
(mandatory)
- Standalone discharges
- Standalone National Credit Code mortgages
What’s coming up… 2017 (Stages 1 and 2)

1 March 2017
Who? ADIs (mandatory)
- Standalone discharges
- Standalone National Credit Code mortgages

1 August 2017
Who? ADIs (mandatory)
- All refinancing transactions
- All standalone mortgages

*eCT program (ADIs)*: ADIs will receive an eCT on registration of a paper transaction (where they remain first mortgagee)
What’s coming up… 2018 (Stage 2)

1 July 2018
Who? Solicitors & conveyancers (mandatory)
- Standalone Caveats
- Standalone Transfers
- All mortgages, refinance and discharges (including non-ADIs)

October 2018

**eCT program (ADIs):**
All paper CTs held by ADIs will have been cancelled (ADIs will be issued with eCTs)

**eCT program (non-ADIs):**
Start cancelling paper CTs and issuing eCTs to non-ADIs
What’s coming up… 2019 (stage 2)

2019
Who? everyone (mandatory)
All mainstream property transactions to be lodged electronically - combinations of Discharge, Transfer and Mortgage cases

eCT Program: Paper CTs to be removed completely

Mid-2019:
Residual Document strategy
The next 10% of dealings (e.g. Change of Name, Notice of Death)
We will continue to digitise land transactions in NSW

June 2017

- ARI commences
- LPI’s records all digitalised

2017 – 2019:
- Implement e-conveyancing reforms
- 85% of property transactions electronically

Work with surveying industry to move to digital format

2022
- New innovative value added products
- Updating ITS system for NSW
More information and support

- More information about the ORG and our regulatory controls are on our website: [www.registrargeneral.nsw.gov.au](http://www.registrargeneral.nsw.gov.au)

- ARNECC Model Participation Rules Guidance Notes:
  1. Client Authorisations
  2. Verification of Identity
  3. Certifications
  4. Right to Deal
  5. Retention of Evidence
  6. Compliance Examinations

- Workshops across NSW