



Finance,
Services &
Innovation

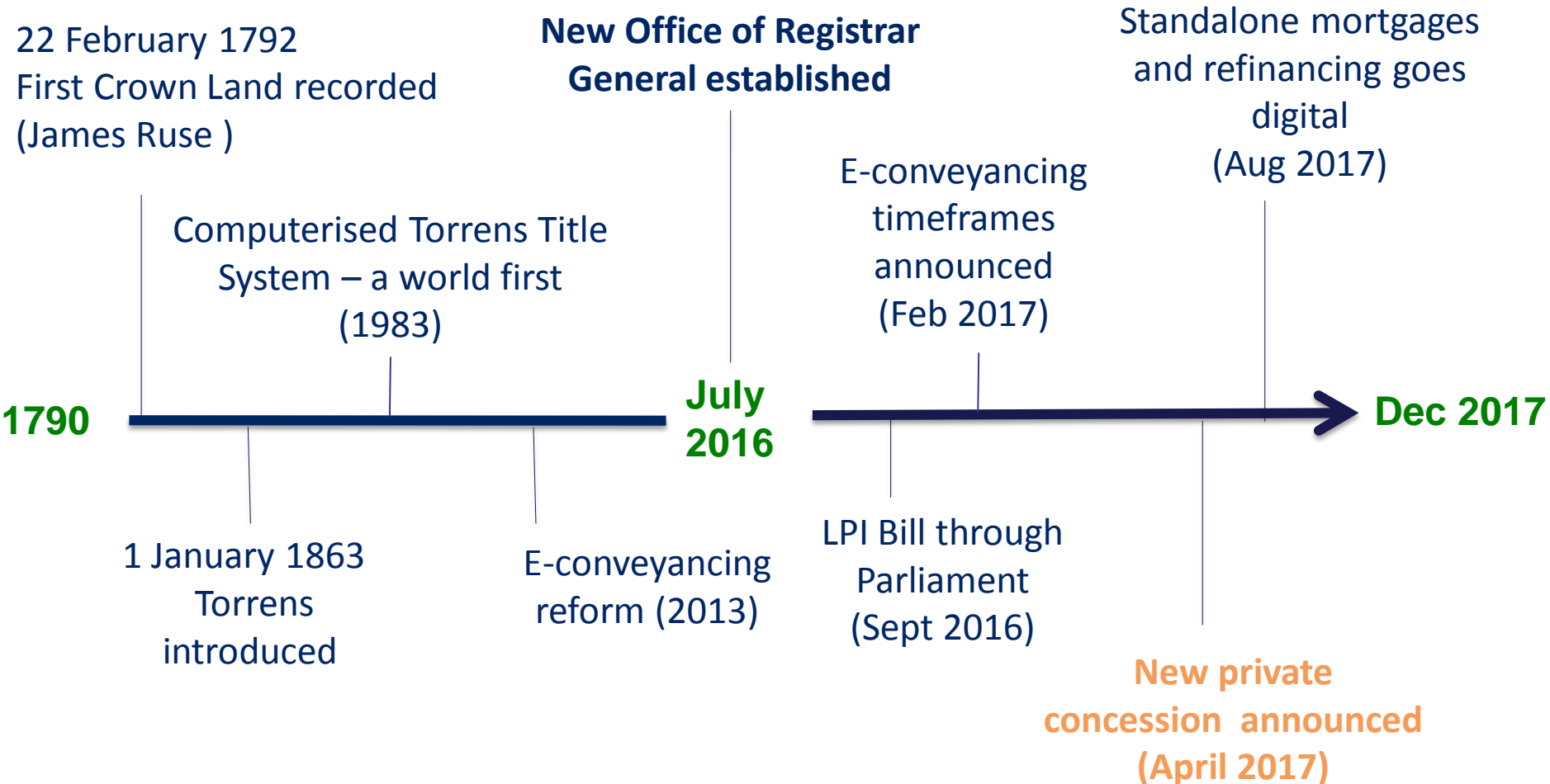
Practitioners' update: eConveyancing & Regulation of the land titles system

Office of the Registrar General
Jeremy Cox, NSW Registrar General

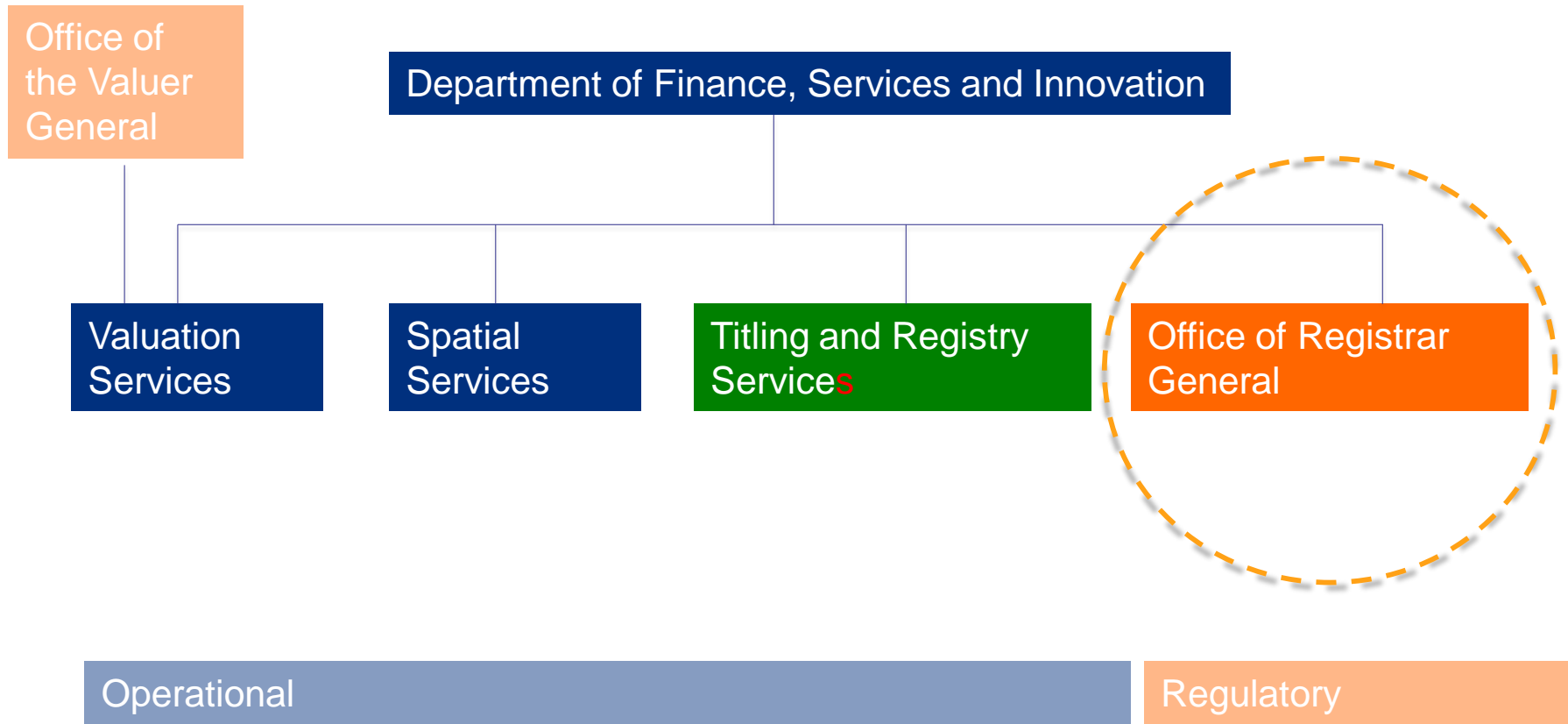
17 June 2017

www.finance.nsw.gov.au

The land titles system has evolved over time



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

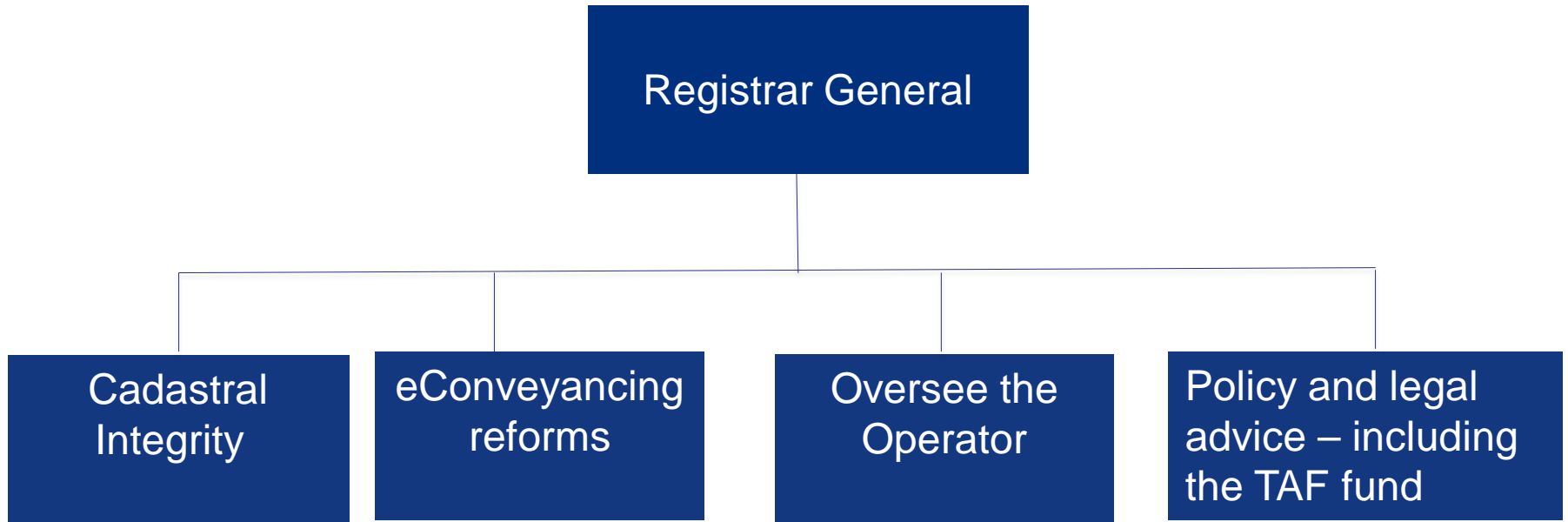
ARI consortium

- 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	Minister
<ul style="list-style-type: none">• Reserve powers• Administrative Review• Civil penalty tied to KPIs	<ul style="list-style-type: none">• Step in• Termination• Handback

Some other controls in response to issues raised by stakeholders

- | | |
|--|---|
| <ul style="list-style-type: none">• Prices• Privacy• Fraud and errors• Security | <ul style="list-style-type: none">• 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

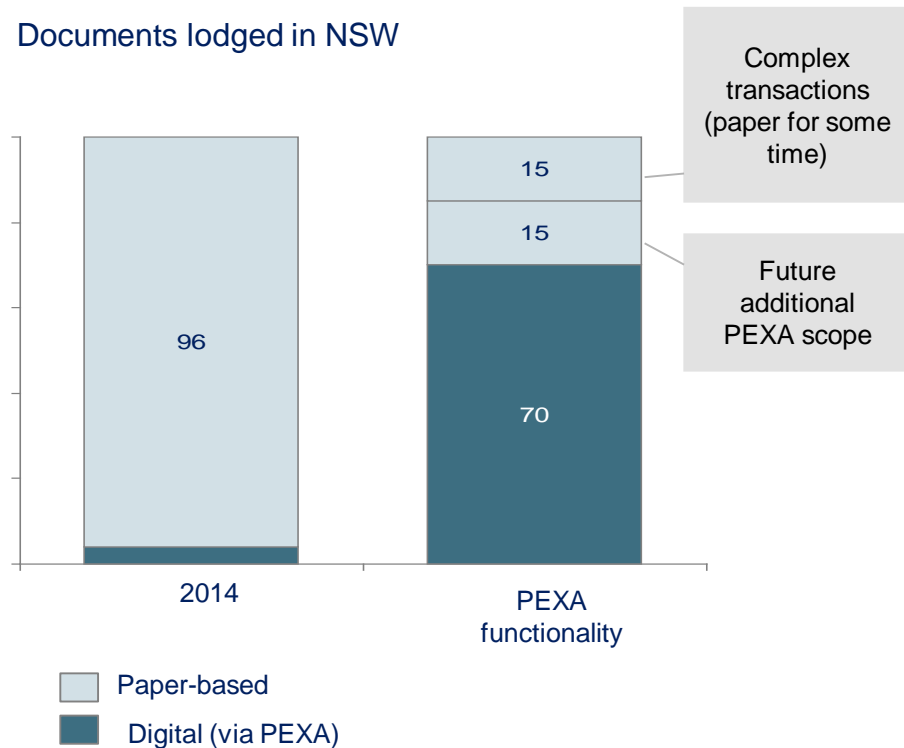
Digitalisation of core services	New, innovation 'non-core' services
<ul style="list-style-type: none">• Econveyancing• Forth coming upgrade of LPI's core systems• Digitalisation of cadastral plans• Digitalisation of records	<p>RG powers:</p> <ul style="list-style-type: none">• Has to approve• Review proposed pricing• Require consultation• Negotiate non-core becoming a core

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 roll-out of eConveyancing in NSW

In 2014 PEXA could digitalise around 70% transactions, however very few transactions were being completed online

Documents lodged 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**

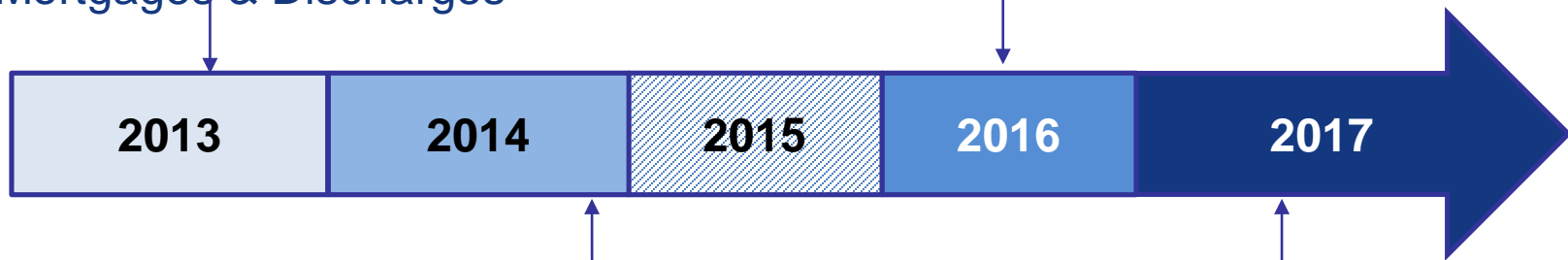
What's happened to date (Stage 1)

October 2013

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

November 2016

Who? everyone (mandatory)
Priority notices



November 2014

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

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)

2018

1 July 2018

Who? Solicitors & conveyancers
(mandatory)

- Standalone Caveats
- Standalone Transfers
- All mortgages, refinance and discharges (including non-ADIs)

eCT program (non-ADIs):

Start cancelling paper CTs and issuing eCTs to non-ADIs

October 2018

eCT program (ADIs):

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

What's coming up... 2019 (stage 2)

2019

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

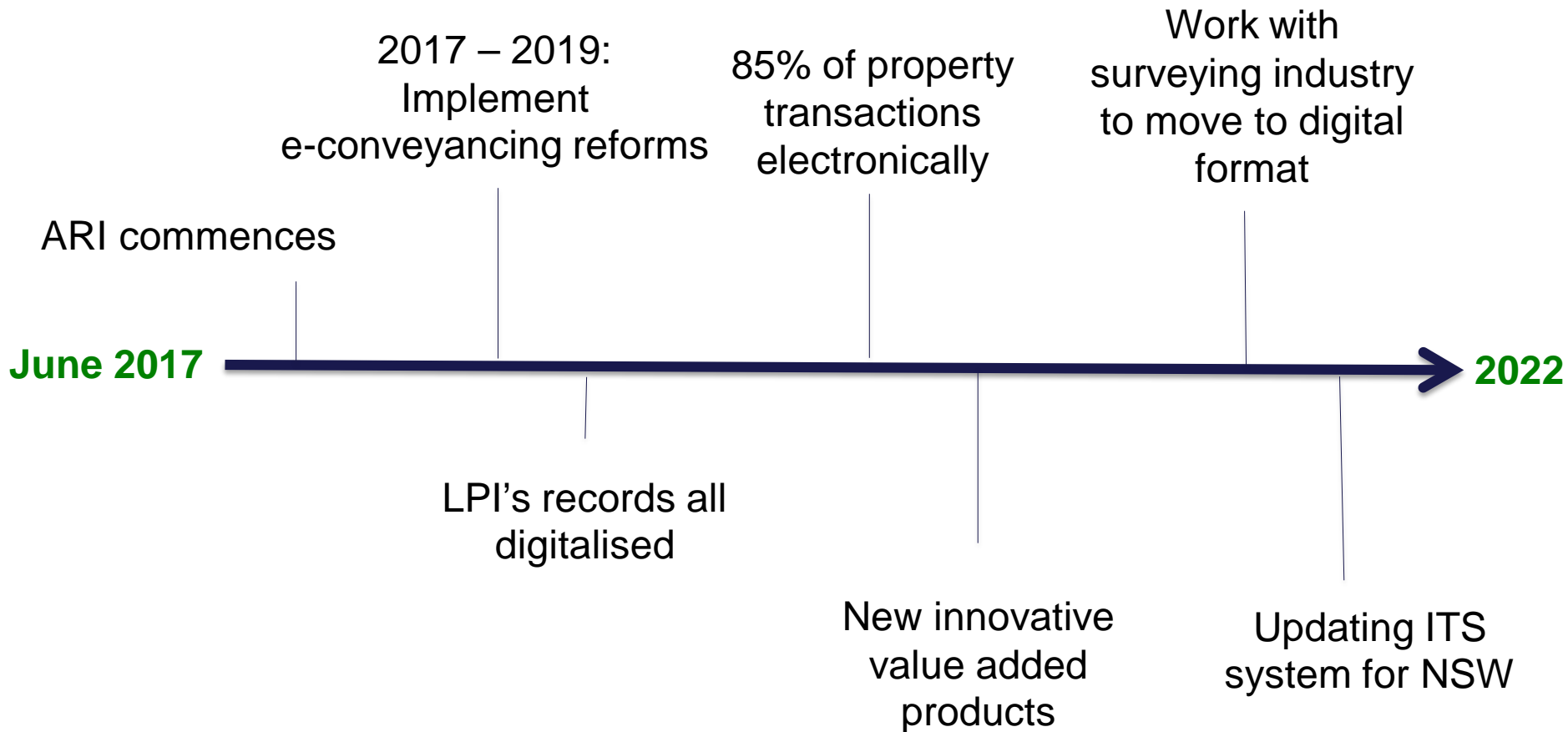
Mid-2019:

Residual Document strategy

The next 10% of dealings (e.g. Change of Name, Notice of Death)

85%
Paperless
lodgement

We will continue to digitise land transactions in NSW



More information and support

- More information about the ORG and our regulatory controls are on our website: 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

https://www.arnecc.gov.au/publications/mpr_guidance_notes

- Workshops across NSW