



Finance,  
Services &  
Innovation

# Land & Property Information reforms: Update for the Property Council of Australia

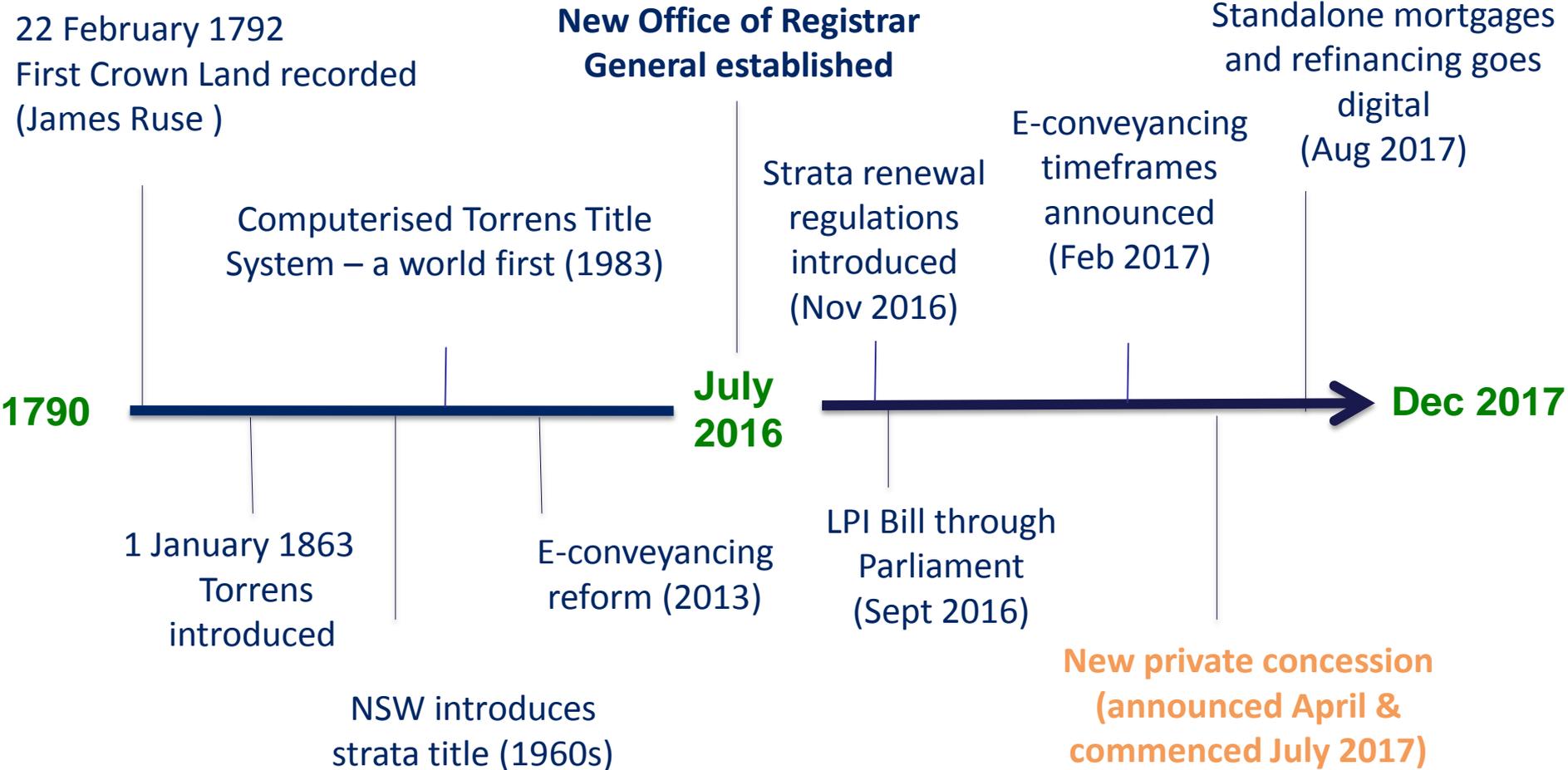
Office of the Registrar General  
Jeremy Cox, NSW Registrar General

19 July 2017

[www.finance.nsw.gov.au](http://www.finance.nsw.gov.au)

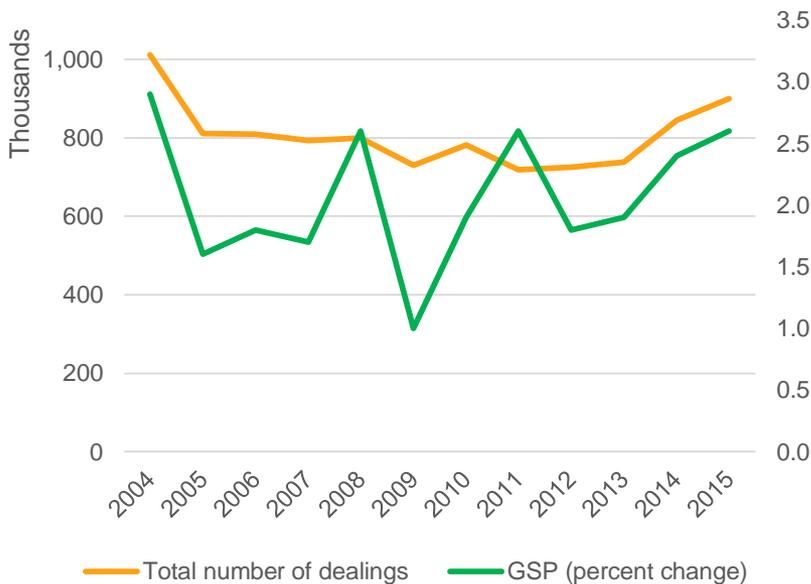
[www.registrargeneral.nsw.gov.au](http://www.registrargeneral.nsw.gov.au)

# The land title system has been changing constantly

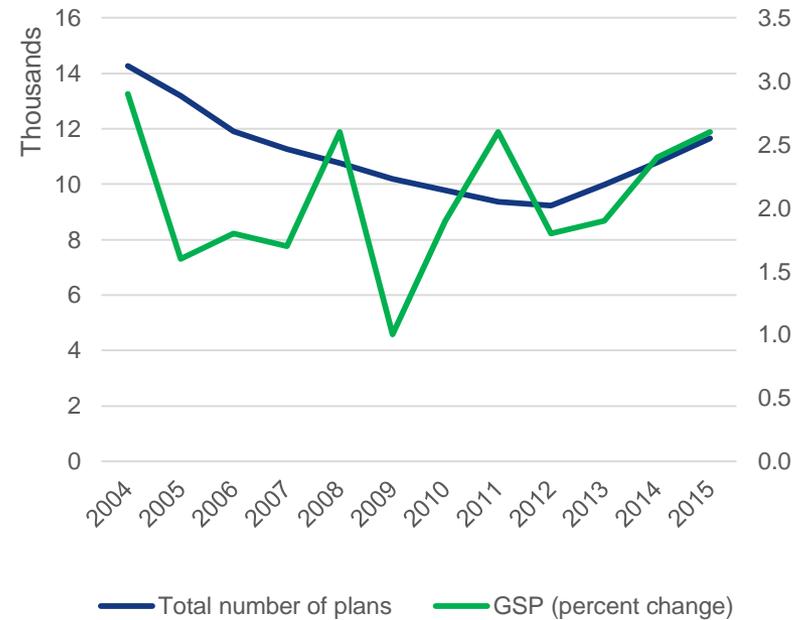


# The number of dealings and plans reflects the economic environment

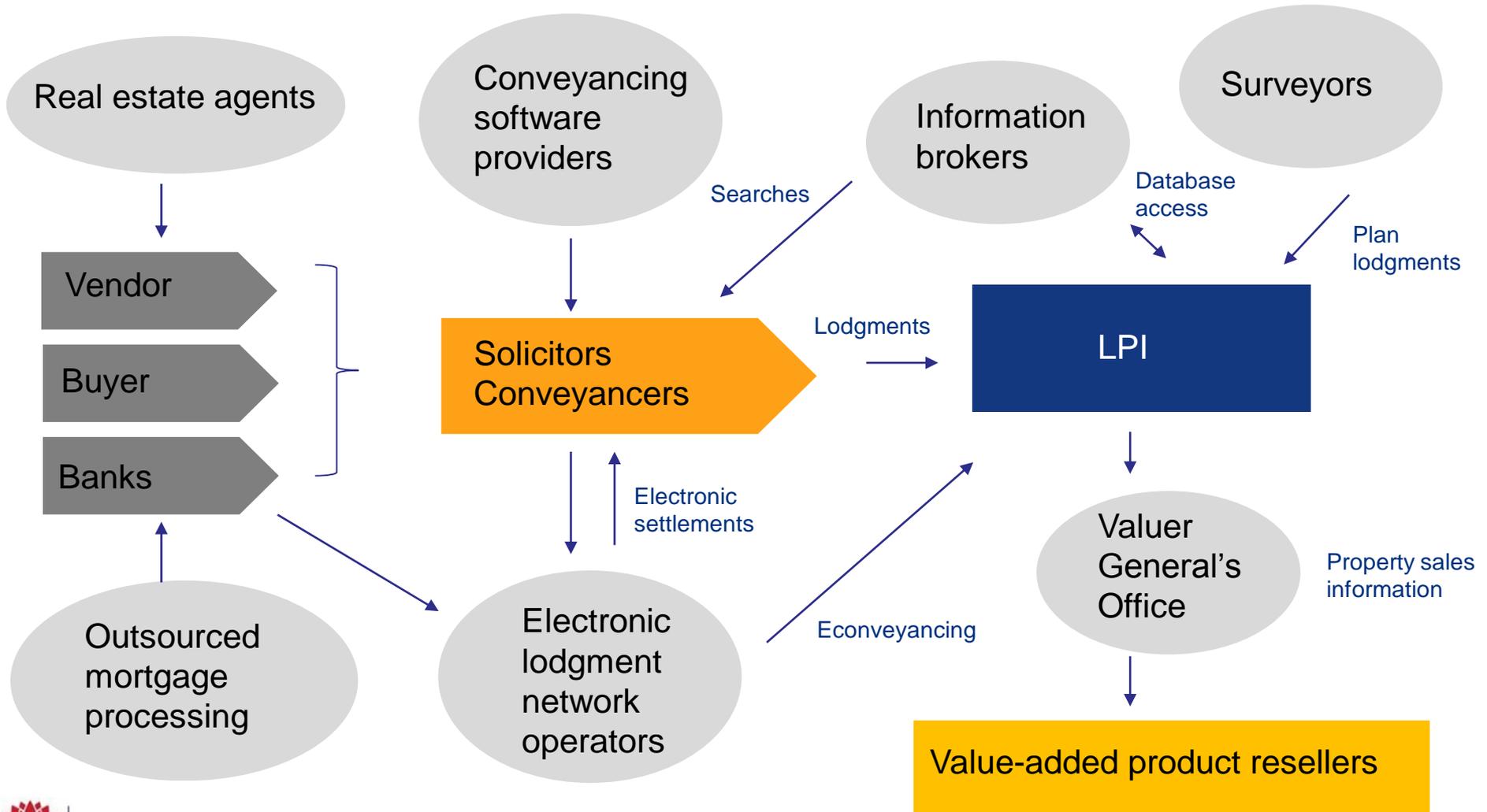
## Dealings per annum, 2004 to 2015 (financial year)



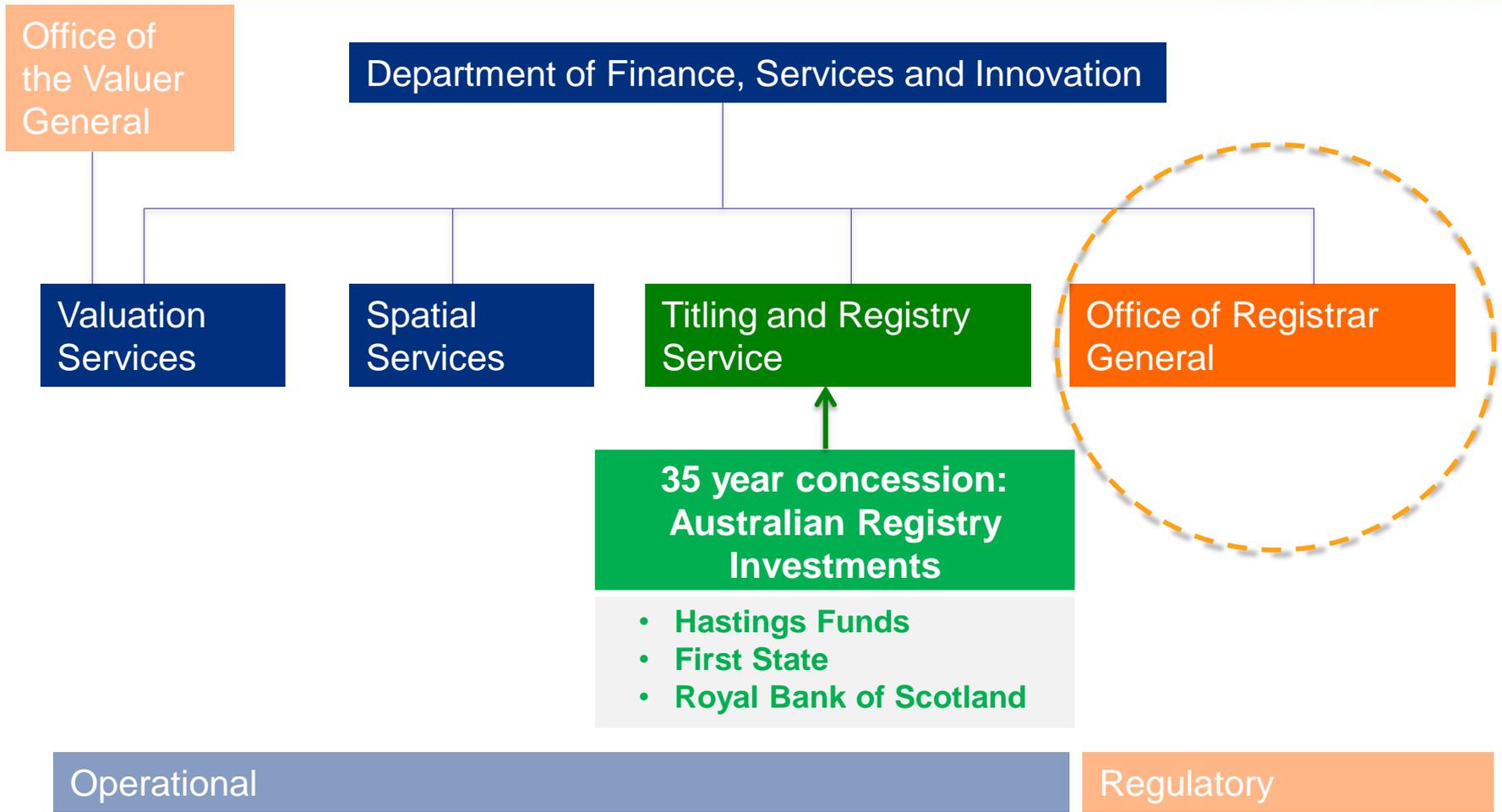
## Plans per annum, 2004 to 2015 (financial year)



# LPI captures transactions of multiple industries



# NSW has introduced a new regulator operator model to drive an efficient, digital and customer focused land title system



# The new framework involves some continuity and some changes

<b>Government</b>	Administrative, legislative and regulatory framework
<b>Minister</b>	Portfolio responsibility for the Registry and Concession
<b>Registrar General</b>	Responsible for monitoring and overseeing ARI
<b>LPI / Operator</b>	Provide core services in accordance with legislation, concession and RG guidelines

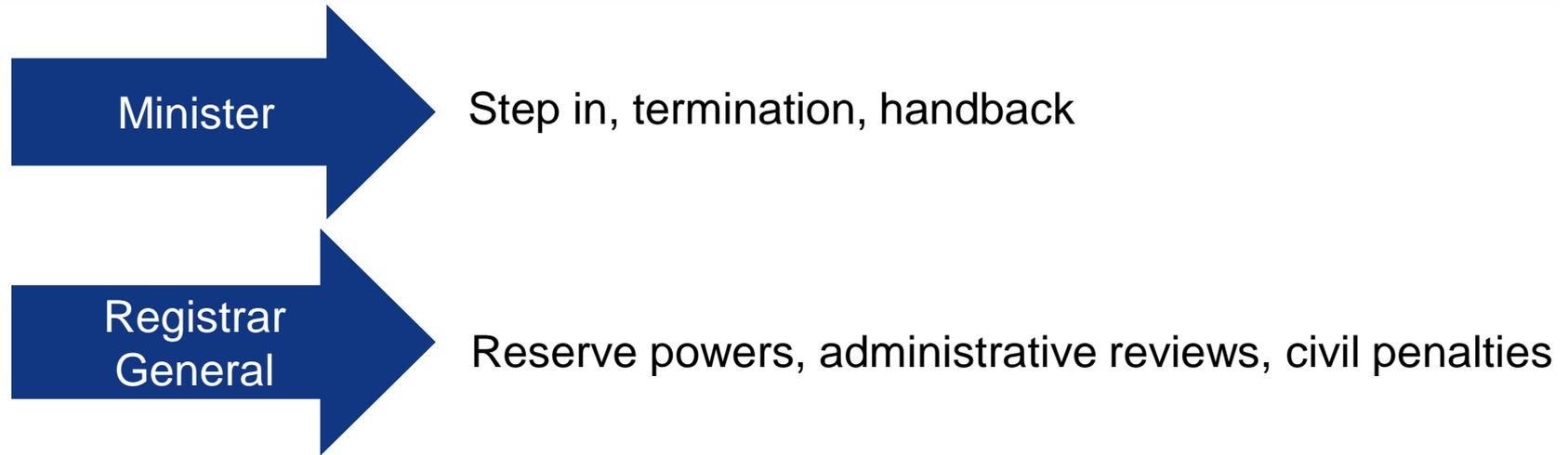
Same as now

Similar but LPI moves to a private concession

# 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
<ul style="list-style-type: none"> <li>Incident management</li> </ul>	<ul style="list-style-type: none"> <li>Annual review of performance</li> </ul>	<ul style="list-style-type: none"> <li>Report to RG on risk controls</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerability scans &amp; penetration tests</li> </ul>	<ul style="list-style-type: none"> <li>Standard data feeds</li> </ul>
<ul style="list-style-type: none"> <li>Business continuity and business plans</li> </ul>	<ul style="list-style-type: none"> <li>Major review (3 to 5 years)</li> </ul>	<ul style="list-style-type: none"> <li>Access to staff, locations, procedures</li> </ul>	<ul style="list-style-type: none"> <li>Security standards ISO</li> </ul>	<ul style="list-style-type: none"> <li>Tools to measure performance</li> </ul>
<ul style="list-style-type: none"> <li>Technology roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc reviews &amp; spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Risk register and report to RG</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring, scanning &amp; assurance tools in systems</li> </ul>	<ul style="list-style-type: none"> <li>Auditable record of performance</li> </ul>

# NSW has powers under the legislation that don't exist in other Australian states, and most overseas



## Controls to manage top five concerns raised by stakeholders

- |                      |   |
|----------------------|---|
| 1. Prices            | • <b>CPI cap</b>  |
| 2. Privacy           | • <b>Public register. Federal &amp; state laws. Suppress personal information</b>   |
| 3. Fraud and errors  | • <b>TAF stays. No change in risk profile. ARI pays for errors</b>                  |
| 4. Security          | • <b>ISO (270002), audits &amp; tests stand-alone, data in Australia, ORG copy</b>  |
| 5. Change of control | • <b>Strong safeguards for identity of investors for the life of the concession</b> |

From the outside looking in nothing changes. But behind the scenes, we will be making sure the system is moving digital

## Digitalisation of core services

1. E-conveyancing

2. Digitalisation of records

3. Digital survey plans

4. Upgrade LPI's systems

*More secure and efficient **existing services**, and fewer errors and cases of fraud*

2017 → Mid-2019 → 2022

## New innovative 'non-core' services

5. For example: Expedited plans, tracking dealings, fraud alarms

***New services** that make it easier and more efficient for people using the NSW land title system*

# E-conveyancing brings greater efficiency, fewer errors and new ways to detect fraud

## Customers

No cost of cheques, no need for solicitors/conveyancers to attend settlement, less stress as immediate settlement and confirmation of lodgment with banks, earlier availability of cleared funds after settlement and easier access for rural and remote communities.

## Business

Reduction in: due diligence title searches; labour costs, instrument preparation costs; settlement costs (legal sector); and delay of commission payments (real estate).

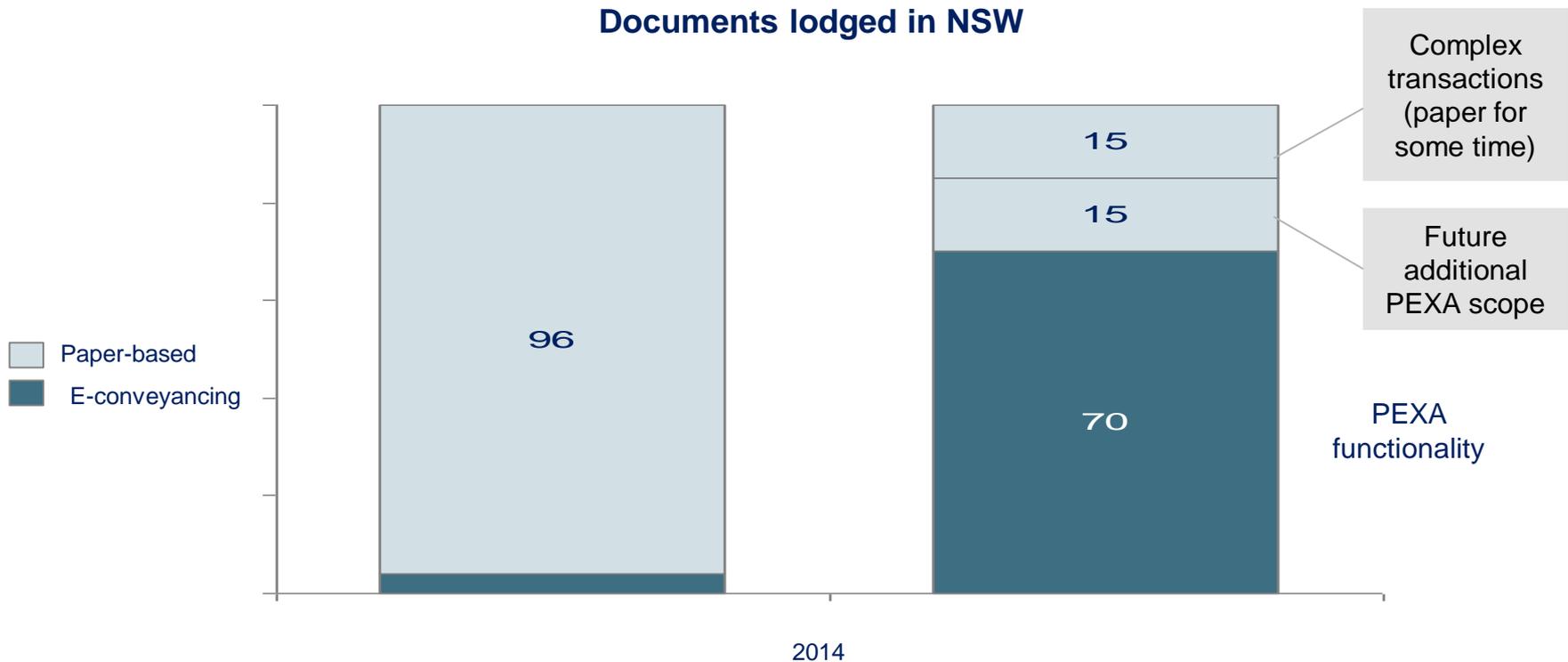
## Operator

Reduces need for front desk pre-processing of documents; manual keying; document scanning activity, training costs; fewer requisitions: title activity checks enables easy monitoring of changes to title e.g. caveats.

## Government

More secure and efficient delivery of services to the public with fewer errors and new ways to detect fraud.

# E-conveyancing reform can deliver substantial public benefits but barriers to take-up was delaying these



**In 2014 PEXA could digitalise around 70% transactions, however fewer than 5% of transactions were being completed online**

# Industry and government worked together to set timeframes for moving to paperless conveyancing by mid-2019

**1 August 2017**

**ADIs (mandatory)**

- All refinancing transactions
- All standalone mortgages

**1 July 2018**

**Solicitors & conveyancers (mandatory)**

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

**eCT program (non-ADIs):**

*Start cancelling paper CTs and issuing eCTs to non-ADIs*

**July 2019**

**Everyone (mandatory)**

All mainstream conveyancing to be lodged electronically

**eCT Program:** *Paper CTs to be removed completely*

**2017**

**2018**

**2019**

**1 August 2017**

**eCT program (ADIs):** *ADIs will receive an eCT on registration of a paper transaction (where they remain first Mortgagee)*

**October 2018**

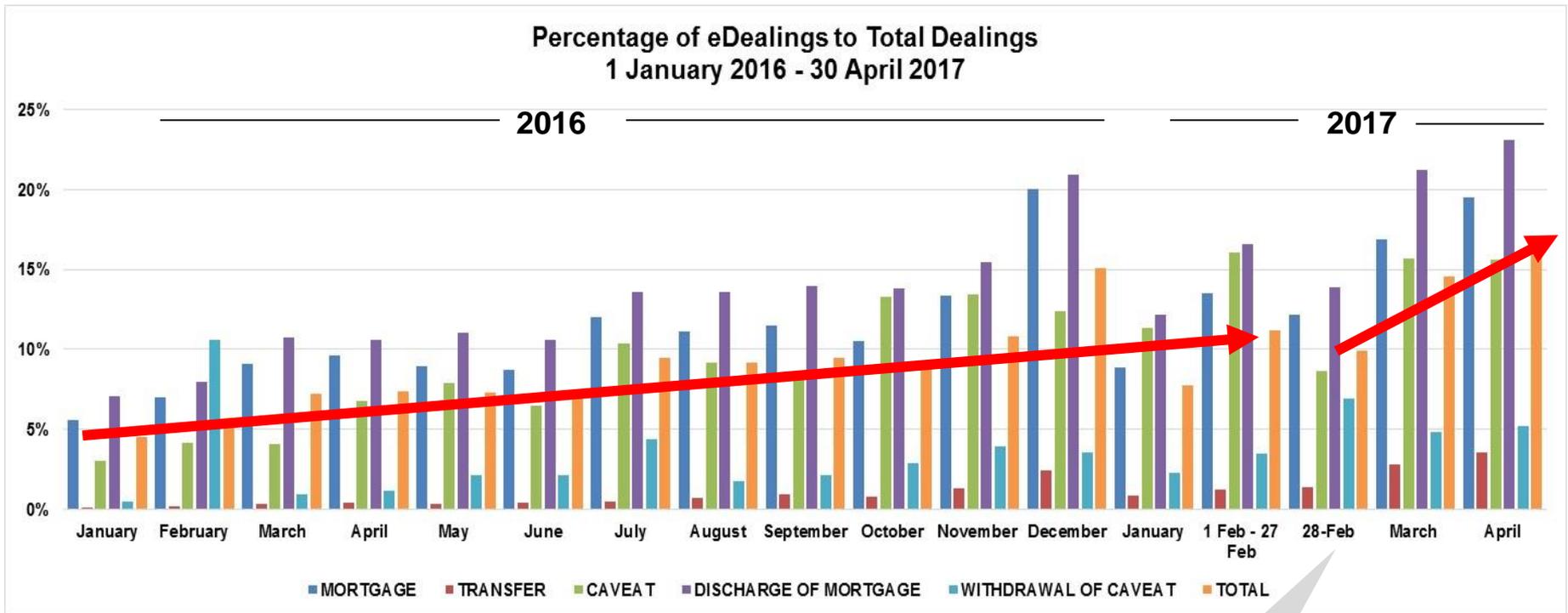
**eCT program (ADIs):** *All paper CTs held by ADIs will have been cancelled (ADIs will be issued with eCTs)*

**Mid-2019:**

**Residual Document strategy**

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

Since the NSW timeframes were announced there has been a shift upwards in the portion of e-dealings



**Timeframes  
announced**

Our focus is on the customer—the users of the system—the conveyancer, surveyor, the person buying or selling a house

### Our regulatory 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**

# We will continue to support the move to digital to make the land title system efficient, accessible, secure and modern

