

Media Release

20 August 2019

IPART recommends changes to eConveyancing services

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on a series of draft recommendations designed to support electronic conveyancing in NSW by applying light handed price regulation, and improving competition to deliver innovation and cost savings.

IPART found that the prices being charged by the first electronic network lodgment operator (ELNO) in the market, PEXA, are reasonable.

IPART recommends that these prices apply as maximums for PEXA and any other ELNO operating in NSW, indexed by CPI each year for the next two years. Currently, there is only one other ELNO, Sympli, licensed to operate in NSW.

Since 1 July 2019, the majority of property transactions in NSW (including all transfers, mortgages, discharges of mortgage, caveats and withdrawals of caveats) are required to use eConveyancing instead of traditional paper conveyancing. It means lawyers, conveyancers and financial institutions are now online using an electronic lodgment network to exchange data, prepare settlement documents, settle funds, pay duties and lodge documents with the land registry.

IPART Chair, Dr Paul Paterson, said that while eConveyancing is saving time, and reducing the potential for errors and fraud compared to paper conveyancing, the highly concentrated nature of the ELNO market requires light handed price regulation to protect consumers and measures to improve interoperability between systems to stimulate effective competition.

“Most conveyancing is now being conducted electronically, but the market remains highly concentrated with two ELNOs licensed to operate in NSW, but only one having undertaken any transactions,” Dr Paterson said.

“This is unlikely to change until the lack of interoperability between ELNO platforms is addressed, so we are recommending that interoperability be preferably implemented on a national basis by ARNECC¹ or otherwise required as a licence condition in NSW.”

“Introducing interoperability can be done simply and at low cost, and this can drive further innovation and lower costs.”

IPART is also recommending that the eConveyancing market be monitored at least every two years to inform governance and pricing policy decisions.

The Draft Report, with the full list of recommendations, is available from IPART’s website.

¹ Australian Registrars' National E-Conveyancing Council

A public forum will be held in Sydney on 3 September. Submissions to the Draft Report close on 17 September and will be considered in the preparation of the Final Report and recommendations to the Minister for Customer Service by November 2019.