

IPART review into eConveyancing fees

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing the fees associated with electronic conveyancing (eConveyancing) for the first time.

Around 85% of property transactions in NSW will be required to use eConveyancing from 1 July 2019. Transactions such as transfers, mortgages and caveats will have to be lodged electronically. eConveyancing is designed to be a more efficient and accurate way of conducting the settlement and lodgment stages of a conveyancing transaction.

IPART Chair, Dr Paul Paterson, said IPART's review is focused on the fees charged by and to the electronic lodgment network operators (ELNOs).

ELNOs operate electronic workspaces allowing lawyers, conveyancers and financial institutions to exchange data and collaborate to prepare conveyancing documents, settle funds, pay duties and lodge documents with the land registry online instead of on paper.

"Essentially, eConveyancing allows parties to complete conveyancing transactions (like a sale of land) and disburse settlement funds electronically," Dr Paterson said.

"The electronic lodgment network also allows other documents that are not necessarily part of a sale, such as caveats, to be lodged electronically."

Currently there is only one ELNO in NSW, PEXA. Another ELNO, Sympli, is expected to commence operations in NSW during 2019, with the prospect of more entering the market soon.

A paper released by IPART today seeks feedback on a range of issues to be considered as part of the review. These include:

- ▼ The state of the eConveyancing market, including possible barriers to entry such as the lack of arrangements for different ELNOs to participate in a transaction
- ▼ The maximum fees that ELNOs charge lawyers, conveyancers and financial institutions to use the electronic lodgment network
- ▼ The maximum fees that the NSW Land Registry Services charges ELNOs
- ▼ The maximum fees that Revenue NSW can charge ELNOs in the future.

"We are also looking at the costs that will be incurred to connect multiple ELNOs when more enter the market, and how these costs should best be recovered to drive efficient outcomes and avoid excessive charges," Dr Paterson said.

Submissions on the Issues Paper will be received until 30 April and considered by IPART before a draft report is released by July. Recommendations on the final prices will be provided to the NSW Government by October 2019.

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More information is available at ipart.nsw.gov.au