



Presentation to NSW industry leaders' forum

Quarterly update meeting

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25 Oct 2021



Office of the
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Digital Reforms Update – **Interoperability**, Danusia Cameron



Reform objective and timelines

- That subscribers – lawyers, conveyancers and financial institutions – can transact on the ELNO of their choice.
- At a Ministerial Forum on 18 October, States and Territory Ministers heard from ELNOs, peak bodies and ACCC on implementation timeframes. PEXA has proposed the first transaction occur in Sept 2022, 6 months later than the date set by Ministers. Ministers reviewed the timetable for first transaction and build for the complete reform.
- ARNECC has identified a first transaction, being a refinance of real property in Queensland.



Recent progress

- Technology – PEXA, Sympli and government are ‘baselining’ the API specifications required for the first transaction.
- Regulatory – ARNECC is preparing changes to the ECNL; and is reviewing stakeholders’ comments to the draft MORs and MPRs. A committee comprising ELNOs, government and industry is working on the ELNO i/op agreement; and the implementation committee comprising government, ELNOs and banks is working on the Day 1 transaction and rollout.



Risk and mitigation

- Regulatory – developing the legislation within the timeframe. Mitigation – ARNECC continues to develop the regulatory regime and a timetable for consulting on these changes with industry.
- Technical – ensuring ELNOs, land registries, financial institutions and revenue offices are informed, engaged and able to meet the timeframe. Mitigation: engage with stakeholders in relation to the first transaction.



Next steps

- Technical – further develop the i/op data standards (‘NECIDS’) and related collateral, focusing on Day 1 transaction.
- Regulatory – release the draft ECNL for targeted industry consultation. Issue updated draft of the MORs for stakeholder review.
- Stakeholders – continue to engage with land registries, financial institutions and revenue offices in relation to the technical and regulatory models.

Digital Reforms Update – **Paperless Conveyancing**, Leanne Hughes



Reform objective and timelines

- To enable 100% eConveyancing in NSW. This includes removing paper certificates of title and control of the right to deal (CoRD), requiring all documents to be lodged electronically and removing any impediments in legislation to allow for 100% eConveyancing.
- Delivery of the reform was 11 October 2021.



Recent progress

- On 11 October 2021, the reform was delivered:
 - Paper certificates of title and CoRD holder consents were abolished
 - The provisions of the *Real Property Amendment (Certificates of Title) Act 2021* commenced
 - Lodgment Rules (Version 2) commenced
 - Conveyancing Rules (Version 6) commenced.



Risk and mitigation

- The CT Working Group has been meeting every fortnight since May to work through issues and scenarios to ensure a smooth transition to 100% eConveyancing. Great participation from AICNSW, Law Society, banks, ELNOs and NSWLRS.
- The ORG website has experienced very high traffic numbers. Engagement of ELNOs and NSWLRS to their customers about the changes has also been very high.
- Recently the enquiries to ORG has tapered off - however expecting it to pick up again once practitioners for their first time need to do a transaction via a Dealing with Exception.



Next steps

- Continue to work through some issues identified by the CT Working Group – in particular, improving the Information Notice, streamlining mortgagee consents and making other dealings fully electronic such as those relating to Retirement Villages.

Digital Reforms Update – **Digital Survey Plans**, Amy Stiles



Reform objective and timelines

- To improve the quality and suitability of plans to better meet customer needs, while realising significant efficiencies in the end to end plan creation, consent and registration process. The transition to digital survey plans is a key remaining component of realising a digital titling system in NSW.



Recent progress

- The consultation period for “transitioning from paper to digital survey plans” discussion paper has finished, with 50 submissions received – thank you for taking the time to review the content and provide constructive feedback.
- In the submissions reviewed so far, there is overwhelmingly positive feedback on the direction of the reform, valuable suggestions for improvements as well as a number of concerns raised, particularly for longer term aspects which are yet to be demonstrated in practice.



Risk and mitigation

- The revised approach does not sufficiently consider industry views. Mitigation: ongoing co-design approach
- Coordination across a broad group of stakeholders. Mitigation: Leverage the reform's industry consultative committee to ensure stakeholders are kept up to date with progress



Next steps

- We are reviewing submissions and preparing a report which outlines industry views and next steps. This will be validated through the Consultative Committee for review, prior to seeking industry support for the next steps.
- Depending on the level of industry support, next steps may include implementation (revised based on feedback as appropriate) or alternatively an approach for further consultation.

Legislative Review – Strata and community scheme laws

Community Land Development Act

- The *Community Land Development Act 2021* and the *Community Land Management Act 2021* will commence on **1 December 2021**.
- Regulations have been finalised, following extensive consultation, and were published on the NSW Legislation website on 14 October 2021. These are not yet in force.
- Main issues in the new Community Schemes Development Regulation following consultation –
 - ✓ Development contracts – what must be included
 - for large schemes, development contracts may operate for up to 20 years
 - ✓ Amendment of community management statement to be lodged in consolidated form
 - ✓ Valuation day for schedule of unit entitlements
- Next steps: ORG and LRS are working on updating approved forms which will be made available to industry before commencement of the legislation (but will not be accepted until 1 December 2021)

Statutory Review of the Strata legislation

- ORG, together with DCS Regulatory Policy (Fair Trading) have reviewed the *Strata Schemes Development Act 2015* and *Strata Schemes Management Act 2015*, as required by both Acts.
- Following extensive consultation, ORG and Regulatory Policy have prepared a report summarising outcomes of the review and identifying high level recommendations for improvements.
- Development Act recommendations relate mainly to:
 - part-strata developments - improving transparency/disclosure, clarifying dispute resolution processes
 - strata renewal - providing more flexibility to timeframes/lapsing, extending good faith obligations
- The final Report will be tabled in Parliament in **November 2021**.
- Further consultation will occur as legislation is drafted in 2022.

An aerial photograph of a rectangular swimming pool built on a rocky coastline. The pool is filled with clear, light green water and is surrounded by a concrete wall. Waves are crashing against the shore, creating white foam. The surrounding area is a mix of dark, wet rocks and sandy beach. A few people are visible swimming in the pool.

Thank you & questions