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Mr Bruce Roberts
Chair
Australian Registrars' National Electronic Conveyancing Council

By Email: chair@arnecc.gov.au

Dear Mr Roberts

Re: Electronic Conveyancing (Adoption of National Law) Amendment Bill 2022

ACCC welcomes the introduction of the Bill on 15 February 2022 to NSW Parliament

The Australian Competition & Consumer Commission (ACCC) strongly supports interoperability in the eConveyancing market. It will facilitate competition, which will foster innovation and place competitive pressure on prices. As such, we welcome the introduction of the Electronic Conveyancing (Adoption of a National Law) Amendment Bill 2022 to the NSW Parliament on 15 February 2022.

Given the nature of the eConveyancing applied law scheme, the Bill represents a critical milestone in the eConveyancing market reform process. The ACCC understands that the Bill as drafted provides a high-level framework that will facilitate the rollout of interoperability, including the further development of detailed rules for market participants and operators.

The ACCC understands that all state and territory governments have worked together to develop the framework as set out in the Bill. This framework ensures that the Australian Registrars' National Electronic Conveyancing Council (ARNECC) and industry will realise the expectations of Ministers as set out in the Ministerial Statement of 28 January 2022. By achieving this milestone ARNECC can stay on track to deliver the next stage of the reform and provide industry greater certainty about the interoperability rollout.

Next steps

The ACCC recognises the current amendments are intended to be high level in nature and do not address a series of important and ongoing reform matters including critical implementation timeframes and rollout milestones, future review mechanisms, compliance obligations and enforcement measures. Noting the benefits incumbency has delivered to PEXA it will be important to ensure the reform process address these outstanding matters clearly and with authority.

The ACCC understands the next step of the reform process will provide ARNECC an important opportunity to settle other regulatory documents such as market rules and guidance material. The complete interoperability regime will provide the market clarity and

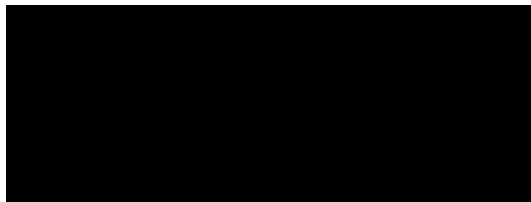
certainty about how interoperability will operate in practice, including setting out the obligations, expectations and responsibilities of each market participant. The ACCC understands ARNECC recognises the importance of working through these matters with industry in the interests of facilitating a pro-competitive market reform solution.

Following stakeholder consultation, it will be critical to settle all outstanding matters as soon as practicable. Further delay will heighten barriers to entry to the market and detract from future possible benefits of competition. Absent this development PEXA's position in the market will likely present ongoing challenges for industry and government alike. Further delay will also test the capacity of industry (especially practitioners) to participate in the reform process.

As ARNECC approach the next stage of reform it is critical that a thorough and multifaced enforcement regime is implemented. The ACCC welcomes the commitment by ARNECC to implement an enforcement regime. An effective enforcement regime will be critical to stakeholders' overall confidence in the regime and their willingness to participate in an interoperable eConveyancing market.

In the long-term interest of the market the ACCC strongly encourages ARNECC to finalise all legislative processes concerning eConveyancing and settle any outstanding regulatory arrangements as soon as practicable in order to promote competition in the eConveyancing market.

Should you wish to discuss anything raised in this letter, please contact Matthew Schroder, General Manager, Infrastructure Transport & Pricing at matthew.schroder@acc.gov.au.



Anna Brakey
Commissioner
Australian Competition and Consumer Commission