



Friday, 9 May 2025
Senate Standing Committee on Economics

Economics.sen@aph.gov.au
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

Supplementary Submission to the Inquiry: Micro-competition opportunities in the Australian economy in relation to eConveyancing

1. Sympli appreciates the opportunity to provide a supplementary submission to the Senate Standing Committee's inquiry into Micro-competition opportunities in the Australian economy in relation to eConveyancing.
2. There are accepted and undeniable public benefits that interoperability delivers:
 - a. competition to enable choice of property electronic lodgment and settlements provider – delivering innovation, savings and consumer and small business benefits for lawyers and conveyancers; and
 - b. enabling resiliency in the network lodgment and settlement infrastructure that settles more than \$800B of funds annually for property transactions, which is currently exposed to a single source of failure through the monopoly.
3. Consumer and small business benefits are directly realised through the legal and conveyancing practitioner market – responsible for the bulk of up to 4 million property transactions per year (representing approximately 95% of ELNO users or more than 100,000 practitioners across Australia). A practitioner-first release of interoperability can be enabled now to deliver benefits to this important segment of the market – this is outlined further in this submission. This means shifting to a phased approach for interoperability where the major banks remain on PEXA and the reform will focus on providing choice to practitioners across Australia.
4. **A practitioner-first release is a stepping stone to full interoperability and does not resolve the longer-term competition and resiliency issues which require continued Federal Government engagement and intervention.** Only through full interoperability, whereby a second set of infrastructure can be fully utilised, can significant competition issues and single point of failure concerns be overcome in the Australian property settlement sector.
5. The range of Federal and ARNECC commissioned independent reviews completed over the course of the last 7 years cannot be ignored; interoperability is the right path

towards competition in the eConveyancing market. Sympli supports ARNECC's next steps to review certain aspects of the reform – however these next steps can and should be focussed on not further delaying the consumer and small business benefits of interoperability that have been promised for years. Focus on an initial release that supports practitioners should be prioritised with clear and actionable next steps confirmed as soon as possible. The need to revisit issues settled through previous independent and objective reviews will only achieve further delays to the reform – denying consumer and small business benefits that the market so readily seeks.

Response to PEXA Supplementary Submission

6. Sympli would like to briefly respond to some key points raised in PEXA's supplementary submission:¹
 - a. **Interoperability has been determined as way to deliver competition:** According to their own report PEXA has captured more than 90% of the conveyancing market and almost 99% of the eConveyancing market given the lack of an active competitor. The NSW Productivity and Equality commission noted PEXA's position as an unintended monopoly² operating in a market where a natural monopoly does not exist; this is a national issue requiring Federal Government intervention. The lack of competition has also been established by experts as well as Federal and State regulators including the ACCC who have all consistently determined that interoperability is the only way to deliver competition and resiliency to this national market.
 - b. **PEXA remains a major single point of failure risk nationally:** PEXA claims that multiple ELNOs do not mitigate a single point of failure ignores the broader systemic risk posed by a single ELNO providing national property lodgment and settlement services. Interoperability will deliver choice to the market, with opportunity for further development to enable increased market resiliency. Currently there is no backup for Australians buying and selling property. Without competitive pressure, PEXA has little incentive to improve reliability and security and remains a significant national security issue given the lack of redundancy.
 - c. **PEXA continues to obstruct competition reforms:** There is clear evidence in the public domain that PEXA continues to obstruct competition reforms. The most recent evidence of this type of behaviour is PEXA sending legal letters to the NSW Government and the major banks threatening legal action if interoperability

¹ PEXA Supplementary Submission lodged 1 May 2025.

² NSW Productivity and Equality Commission eConveyancing Market Study – 28 June 2024
<https://www.productivity.nsw.gov.au/sites/default/files/2024-06/20240628-econveyancing-market-study.pdf> p 41.

reforms were to be pursued.³ This particular action continues to be assessed by the ACCC.

7. Sympli has provided specific feedback on items in Appendix 4.

Delivering consumer and small business benefits of interoperability

8. As ARNECC undertakes its review into the next phase of the interoperability reform, Sympli considers that it can be done in a way that leverages the existing work done by ELNOs and other market participants such as banks and land registries and delivers consumer and small business benefits to the practitioner market as soon as possible.
9. Interoperability is intended to deliver benefits to consumers and small business by enabling the subscriber market (predominantly lawyers and conveyancers) to use their ELN of choice. This core principle is supported by various independent reports and most recently validated by ARNECC through the NSW and Queensland Registrars-led review completed in October 2024.
10. In this context, it would be appropriate change the focus of Release 1⁴ of interoperability to support practitioner activities in an interoperable transaction (**practitioner-first release**). Financial institutions remain supported by their existing ELNO, PEXA, and their existing national lodgment and settlement infrastructure can be utilised for interoperable transactions.⁵
11. Legal and conveyancing practitioners who have reinforced their desire for choice – most recently the national industry bodies, Law Council of Australia and Australian Institute of Conveyancers (**AIC**), reiterated their desire for competition, with the AIC stating that they want to see interoperability “get up and running sooner rather than later”.⁶ This has been the continued message by industry for over 5 years – and this sentiment is only growing.⁷
12. As outlined in ARNECC’s statement in September 2024,⁸ the issues raised by the ABA and major banks have inhibited the progress of interoperability to provide choice to consumers. Specifically, the Australian Banking Association (**ABA**) has on multiple occasions raised their concerns about the ability of the interoperability program to deal

³ *The bank threat that killed off competition in Australia’s \$800b property monopoly*, Sydney Morning Herald, 25 July 2024, Colin Kruger <https://www.smh.com.au/business/companies/the-bank-threat-that-shook-up-australia-s-800b-property-monopoly-20240724-p5jw9h.html>.

⁴ <https://www.arnecc.gov.au/wp-content/uploads/2023/03/Ministers-Statement.pdf>.

⁵ It is anticipated that PEXA is likely to be the RELNO for the majority of transactions in the near term given their share of the market. However, this practitioner-first release contemplates that where Sympli should otherwise be the RELNO under the relevant hierarchy, a RELNO switch will occur and PEXA will become the RELNO. The Default RELNO Surcharge (as defined by IPART) would therefore apply.

⁵ Industry Panel Meeting in December 2024 and February 2025.

⁶ Industry Panel Meeting in December 2024 and February 2025.

⁷ *Conveyancers campaign for competition reform*, Australian Conveyancer, Lewis Panther <https://www.australianconveyancer.com.au/article/conveyancers-campaign-for-competition-reform/>.

⁸ ARNECC’s Decision on Interoperability 20 September 2024 <https://www.arnecc.gov.au/wp-content/uploads/2024/09/ARNECC-Interoperability-Statement-20092024.pdf>.

with issues specifically relating to financial institutions' use of ELNs, in particular due to PEXA intellectual property claims.⁹ These issues are set out in further detail in paragraphs 17-19 of Sympli's original submission.

13. ARNECC has confirmed that they are limited in their ability to determine scope in relation to what interoperability needs to support for financial institutions,¹⁰ without the input of financial institutions, Federal regulators and/or both ELNOs. Further, the ABA has communicated concerns around PEXA's willingness to support their current customer experience in interoperable transactions.¹¹
14. Whilst Sympli does not necessarily agree with the positions asserted by the ABA, PEXA and ARNECC, these issues continue to remain unresolved and will continue to so until there is some further intervention (including support from Federal regulators). They do not, however, need to continue to block interoperability from delivering consumer and small business benefits.
15. There is a pathway that enables, at a minimum, choice for legal and conveyancing practitioner market – a practitioner-first release. This approach is consistent with the work completed under the ARNECC interoperability program and decisions made by ARNECC with respect to the reform and can be prioritised without delay. Sympli suggests that focussing the ARNECC functional requirements review and cost benefit analysis to a practitioner-first release is a logical and practical way to deliver on the consumer and small business benefits that have been promised for so long.
16. A practitioner-first release of interoperability can be done under the jurisdiction-specific Registrar powers and the consumer and small business benefits through lawyers and conveyancers can be achieved on a jurisdictional-specific basis. State and Territory Registrars have the ability to support a phased release of interoperability to ensure that consumer and small business benefits are prioritised in a way that achieves national consistency.

Federal Government support required to achieve market resilience

17. A practitioner-first release can deliver consumer and small business benefits through the legal and conveyancing practitioners in the near term. It does not, by itself, correct current market resilience issues – i.e. the existence of a single point of failure.
18. The impact of this single point of failure has been highlighted through recent media on outages and the impact this has on practitioners and their clients.¹² Full interoperability

⁹ ABA Submission to the Ministerial Forum 25 October 2023.

¹⁰ ARNECC Statement – “Financial services aspects of the interoperability program are beyond the remit of state and territories to resolve”. <https://www.arnecc.gov.au/wp-content/uploads/2024/06/Ministers-Statement-Forum-11-June-2024.pdf>.

¹¹ ABA Submission to the Ministerial Forum 25 October 2023.

¹² *The devastating human impact of PEXA settlement outages*, PayDay News, 20 March 2025, Michael Sainsbury <https://www.parliament.nsw.gov.au/lcdocs/other/21405/Tabled%20Document%20-%20PC8%20->

can enable redundancy between multiple operating lodgment and settlement networks in a similar way that this operates in other industries (such as in telecommunications, which allows other networks' infrastructure to be used for emergency calls,¹³ and energy, which appoints retailers of last resort to ensure continuity of energy supply for consumers).¹⁴

19. Whilst the practitioner-first release delivers consumer and small business benefits through choice to legal and conveyancing practitioners, long-term sustainable competition and resiliency in the lodgment and financial settlement infrastructure should not be ignored. A practitioner-first release can be followed by further releases (full interoperability) enabling other ELN infrastructure to be utilised in order to support a long-term sustainable outcome with resilience in the national lodgment and settlement infrastructure.
20. Resilience is a key goal of interoperability, noting the benefit of “resilience against failure of a single platform” as outlined in the 2021 Regulatory Impact Statement for the ECNL,¹⁵ in addition to maintaining the “security and integrity of the eConveyancing ecosystem” being one of the Key Guiding Principles for Interoperability.¹⁶
21. The NSW Productivity Commission and ACCC have acknowledged the need for resilience in the eConveyancing infrastructure and stated that this is not an industry for which a natural monopoly exists. The ability to deliver benefits to the full market, including resilience, but also through improvements to pricing, service quality and innovation, can only be achieved with full interoperability.
22. The only way that this can be achieved is through utilising additional networks that have the capability to lodge and settle transactions.
23. Sympli operates its own network infrastructure connected to State Land Registries, Revenue Offices, RBA RITS and related payment infrastructure, as set out in Appendix 3, that offers a genuine network redundancy. This resilience can be realised through full interoperability.
24. Issues relating to financial institutions' use of ELNs remain important to solve as a priority to enable a full interoperability model, but do not need to be resolved to achieve a practitioner-first release. Resolving these longer tail issues is important work for ARNECC to complete in cooperation with the relevant Federal regulators. In this context, the practitioner-first release also helps right-size any Federal regulator support by isolating the outstanding issues.

[%20News%20article.%20%20Payday%20News.%2020%20March%202025.%20tendered%20by%20Hon%20Aileen%20MacDonald%20MLC.pdf](#).

¹³ Telecommunications (Emergency Call Service) Determination 2019, Division 2.2.

¹⁴ <https://www.aer.gov.au/industry/retail/retailer-exit/register-rolrs>.

¹⁵ <https://www.arnecc.gov.au/wp-content/uploads/2021/12/Interoperability-RIS-December-2021.pdf>.

¹⁶ <https://www.arnecc.gov.au/wp-content/uploads/2021/12/Interoperability-RIS-December-2021.pdf>.

25. A practitioner-first release has the ability for competition in eConveyancing to emerge in a way that allows for ELNOs like Sympli to continue to invest in its wholesale infrastructure, with the view that it will be able to be used for interoperable transactions in the future. In the absence of a solution that enables competition in the retail segments of the market, there are no prospects for future resilient infrastructure.

This can all be achieved under the existing ARNECC approved interoperability model

26. Competition in eConveyancing sector has been through numerous reviews and inquiries since 2018, both through ARNECC and independent bodies, such as the ACCC and the NSW Productivity and Equality Commission. These reviews have reinforced that full interoperability remains the only solution to competition in the eConveyancing market that will be able to achieve effective competition and infrastructure resilience.
27. Other models have been discussed, considered and discounted; the approved technical model has been proven to work.¹⁷ Interoperability reform is now delayed by issues of implementation and execution that relate to financial institutions, not because the model or underlying policy is incorrect.
28. The approved interoperability technical model leverages the existing strict security regulations and connections, including with entities such as banks that have been designated as critical infrastructure such as payments infrastructure. Ensuring that this model is implemented through interoperability is essential to ensuring genuine redundancy is available in industry, to support the criticality of this infrastructure.
29. Misconceptions relating to interoperability and the approved technical model are addressed in Appendix 1 of this submission.

This approach can be executed with Federal Government support

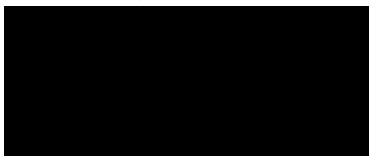
30. There is a clear pathway to achieve consumer and small business benefits under the interoperability reform – resetting the initial release to be a practitioner-first release.
31. This is a stepping stone which delivers choice to nearly 100,000 practitioners.¹⁸ Federal Government support is still required to solve more structural competition and resiliency issues which can only be solved through full interoperability.
32. Sympli calls on the Federal Government to continue to support competition in the network lodgment and settlement infrastructure that settles more than \$800B of funds annually through:
- a. recommendations to support prioritisation of consumer and small business benefits – including prioritising a practitioner-first release;

¹⁷ ARNECC Statement - Day 1 Transaction success, 12 September 2023
<https://www.arnecc.gov.au/wp-content/uploads/2023/09/ARNECC-Statement-Sept-23.pdf>.

¹⁸ There are more than 90,000 legal practitioners and 18,000 conveyancers in Australia.

- b. empowering the relevant Federal regulators to take action to support the program – led by ARNECC and/or the States. This includes Council of Financial Regulators providing resources into the reform, including to provide guidance on issues raised by the banking sector and participating in appropriate governance forums, including the proposed governance structure detailed in Appendix 2.
- c. Seek greater commitment and participation by banks, particularly on supporting competition for legal and conveyancing practitioners.

Yours sincerely,



Philip Joyce,
Chief Executive Officer
Sympli Australia Pty Ltd





Appendix 1: Clarification of common misconceptions of interoperability

Common misconceptions of interoperability	Clarification
<i>Interoperability reform does not maintain national consistency.</i>	<ul style="list-style-type: none"> • Approved interoperability model has been endorsed to support a nationally consistent approach to the technical model required to implement interoperability. • State and Commonwealth Governments, with ARNECC, has endorsed a phased approach for the interoperability reform,¹⁹ specifically with Phase 1 of interoperability for New South Wales and Queensland as the first States with incremental releases in those States. This is consistent with the roll out of eConveyancing across State and Territory jurisdictions and consistent with the Intergovernmental Agreement.²⁰ • Resetting the initial release as the practitioner-first release is consistent with this and is not inconsistent with a nationally consistent approach. Banks remaining on their current ELNO supports their ability to support eConveyancing transactions nationally.
<p><i>Interoperability model is flawed and/or doesn't deliver tangible benefits.</i></p> <p><i>Other competition models, such as ladder of investment model are more appropriate to establishing competition benefits.</i></p>	<ul style="list-style-type: none"> • Current technical model of “Direct Connection” has been approved by ARNECC as appropriate for a two-ELNO market, following extensive independent technical review and participation by ELNOs and industry stakeholders. The model is proven and current ELNOs have built the fundamental infrastructure to support this. • Market assumptions underpinning the appropriateness of a Direct Connection model have not changed – there are only two ELNOs approved to operate with the incumbent (PEXA) operating with monopoly-like retail network effects. ARNECC has considered a transition to an enterprise service bus (ESB) model once additional ELNOs are established, however as there is no clear commitment to a third ELN being

¹⁹ Ministerial Statement 2 June 2022, https://www.arnecc.gov.au/wp-content/uploads/2022/06/ARNECC-Paper_Ministerial-Forum-2-June-2022_Ministers-Statement.pdf.

²⁰ Intergovernmental Agreement for an Electronic Conveyancing National Law, https://www.arnecc.gov.au/wp-content/uploads/2021/08/IGA_for_an_Electronic_Conveyancing_National_Law.pdf 5.1.

Common misconceptions of interoperability	Clarification
<p><i>Other models such as the Enterprise Service Bus, Open Access model, infrastructure model and enhanced price regulation should be considered to deliver customer benefits and to introduce competition into the eConveyancing market.</i></p>	<p>established in the short term, a costly ESB with no tangible benefits should not be considered a preferred option in a likely two ELNO market.</p> <ul style="list-style-type: none"> • Genuine resilience exists with Sympli established as a second operating network. Full interoperability can establish a genuine network resilience by implementing a technical solution allowing for ELNOs with appropriate infrastructure to complete transactions in the event of an ELNO outage. • Issues raised by the bank industry exist irrespective of the interoperability technical model – viable practitioner-first release under the current technical model can enable consumer and small business benefits to flow whilst these issues are being resolved. • Other phased models of competition have been explored, however only the practitioner-first release is fit-for-purpose and provides a pathway to full interoperability.
<p><i>Standardisation between ELNOs will stymie innovation.</i></p> <p><i>Alignment of sequencing in financial settlement steps will reduce innovation for consumers.</i></p> <p><i>Future innovation will only be valued if simultaneously adopted by all ELNOs – reducing the incentive for one ELNO to innovate.</i></p>	<ul style="list-style-type: none"> • There are inherent standard practices that have underpinned conveyancing which existed in paper conveyancing and are now digitised. • This has not impeded on innovation that exists in eConveyancing and which have been demonstrated in other digitised industries such as the National Payments Platform. • For example, Sympli's platform delivers benefits to its subscribers through an enhanced user interface that provides efficiencies to users through pre-filling of information and has been designed to allow seamless integration with third party services, such as practice management systems. • Without competition, the market will be dictated by an incumbent monopoly with reduced incentives to innovate and provide efficiencies to consumers. • Standardisation already exists and is necessary for eConveyancing, including financial settlement and payments through RBA RITS and the AusPayNet eConveyancing Payments Code, and lodgment through the national eConveyancing data standards (NECDS). • There is opportunity for further clarification on standardised / common eConveyancing preparation activities, which currently exist for practitioners but could be expanded to deal with the bank issues, which the Federal regulatory agencies can support.

Common misconceptions of interoperability	Clarification
	<ul style="list-style-type: none"> • Innovation is incentivised by the practitioner-first release, as practitioners will use the most efficient, intuitive and innovative ELNO that provides them the most value.
<p><i>Only ELNs designated as critical infrastructure are secure.</i></p> <p><i>Data and information from other ELNs not designated as critical infrastructure cannot be trusted.</i></p>	<ul style="list-style-type: none"> • All ELNOs are subject to the same common strict security regulations, with existing interconnections with third party infrastructure, including those designated as critical infrastructure such as payments infrastructure and land registry systems. • Interconnecting with critical infrastructure is currently not a barrier – banks (which are considered critical infrastructure) are already connected to Sympli and PEXA. • Additionally, ELNOs are also currently connected to other third-party systems, such as practice management systems. • Regulations oversee the interconnection of networks, including appropriate security safeguards. • The criticality of the infrastructure reinforces the need for there to be multiple options for ELNOs with lodgment and settlement infrastructure.
<p><i>Interoperability scope requires items that embody the intellectual property of an ELNO and/or require the disclosure of confidential information.</i></p> <p><i>Registrars do not have the regulatory power to authorise the disclosure of the intellectual property of an ELNO.</i></p>	<ul style="list-style-type: none"> • The dealing in intellectual property rights and/or disclosure of confidential information is not relevant to interoperability, which deals with data exchange and sequencing based on industry requirements and standards. • Industry participant's concerns with respect to operating with competitors are not novel and can be appropriately managed under proper governance. For example, the eConveyancing Payments Code developed by AusPayNet developed a messaging standard with collaboration from the four major banks, with their own intellectual property. • An incumbent monopoly should not be able to block competition reform on the basis of unsubstantiated intellectual property claims. An industry participant, e.g. incumbent monopoly, should not be enabled to hold competition reform to ransom based on unsubstantiated claims. • Practitioner-first release is based on known and documented industry requirements. Additionally, Sympli has developed features and functionality independent of PEXA and as such, there is no infringement of PEXA copyright in their code.

Common misconceptions of interoperability	Clarification
<i>Interoperability increases the risk of cybersecurity, fraud and settlement failure.</i>	<ul style="list-style-type: none">• ARNECC approved technical model was determined based on independent reviews, including a review conducted by Kinetic IT to assess these specific issues.• Model is proven and based on API data exchange that is commonplace and exists with all ELNOs interconnection with third parties such as land registries and revenue offices, as well as customer integrations such as practice management systems.• Industry concerns with respect to cybersecurity are valid and commonplace, but not unique to interoperability in of itself. Security safeguards can be addressed by the reform and regulatory obligations of ELNOs exist to ensure that this occurs.• Settlement failure risks are not inherent to the financial settlement processes of the networks, which are standardised and mandated through RBA RITS, standard payments processes and the AusPayNet eConveyancing Payments Code.• The practitioner-first release avoids perceived risks relating to financial settlement, as this will continue to be performed by the incumbent.• The practitioner-first release is based on known and documented industry requirements to ensure that transactions are ready to settle on time.
<i>Cost benefit analysis of interoperability should be revisited.</i>	<ul style="list-style-type: none">• Interoperability has been confirmed by the ACCC and NSW Productivity and Equality Commission as being the most efficient and effective model for competition in eConveyancing.• Issues raised by financial institutions have stopped the progress of the reform and support from Federal regulators in required to assist in resolving these.• The model is proven and back-end infrastructure builds have commenced by both ELNOs and Queensland land registry to support the Day 1 transactions in September 2023.• A practitioner-first release provides an immediate, efficient pathway to enabling consumer and small business benefits and that this outcome should be prioritised under the proposed cost benefit analysis review announced by ARNECC.• Sympli requests that the Committee supports its request to develop an understanding of how practitioner choice and public benefit can be prioritised as an outcome of the Inquiry and the interoperability reform.

Common misconceptions of interoperability	Clarification
	<ul style="list-style-type: none"> • The cost impact of interoperability is reduced in a practitioner-first release through reduction in change impact, particularly for financial institutions.
<p><i>Interoperability program requires further regulatory oversight – including to achieve national consistency and resolve with issues raised by financial institutions.</i></p>	<ul style="list-style-type: none"> • Regulatory structure to implement interoperability has been established: <ul style="list-style-type: none"> ○ ELNOs are required to meet specific performance, security and risk-related obligations for both interoperable and non-interoperable transactions – these obligations are not lessened through interoperability. ○ Financial settlement is regulated at a Federal level through the RBA RITS structure and AusPayNet eConveyancing Payments Code. • National enforcement regime should be implemented as soon as possible – otherwise additional opportunities exist to increase regulatory controls over the monopoly, such as pricing controls that are available to the Registrars. • In the interim, the NSW Registrar has enforcement powers that can be used to ensure proper regulatory compliance by ELNOs. • Issues raised by financial institutions relate to predominantly standard requirements for settlement preparation and require support from Federal regulators to resolve. Federal regulatory support can occur through an improved governance structure (see Appendix 2). • The practitioner-first release allows for competition to be introduced in the market while any longer tail issues are resolved at a national level.

Appendix 2: Federal regulator participation in Interoperability Governance

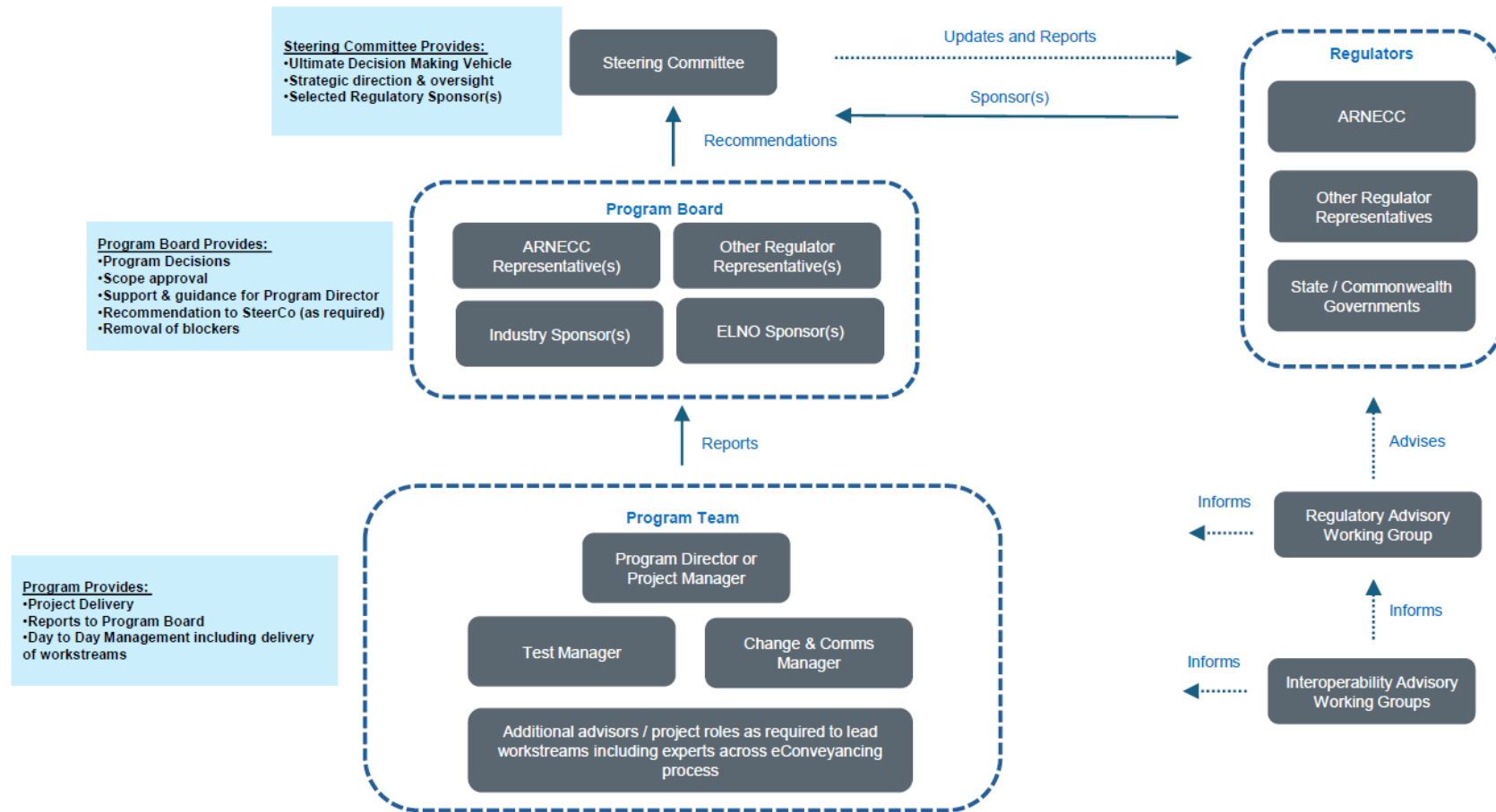


Figure 1 - ARNECC interoperability briefing to industry, 27 February 2025.



Appendix 3: Sympli information [REDACTED]

Who is Sympli

- Sympli was established in 2018 to become a leading ELNO in Australia and provide a real choice of Electronic Lodgment Network for participants in the electronic property settlement market.
- Sympli is a registered proprietary limited company. Sympli is majority owned by ASX Limited and ATI Investment Co Pty Ltd.
- Sympli operates a differentiated ELN to what was previously available in the market, offering choice to consumers and small businesses with the benefits of innovation, reliability, trust and efficiency.
- The Sympli ELN is simple for everyone to use, secure and reliable, integrated with Subscribers' pre-existing workflows, designed to continuously evolve with regulatory, market and user needs, and supportive of the continued transition to interoperability.
- Sympli delivers value and efficiencies to the market for both financial institutions and practitioners. The Sympli ELN is designed to integrate into existing systems and support existing user workflows. The Sympli ELN is:
 - Intuitive and does not require complex re-training;
 - Task oriented and guides users through the process and transaction requirements;
 - Designed for integrated users to spend as little time on the platform as possible;
 - Built with Subscriber configuration and organisational structure flexibility in mind to ensure that Sympli best supports each Subscriber;
 - Client-focused and adaptable to customer needs and market and regulatory requirements;
 - Provides market-leading client support, with Sympli providing multiple touch points and channels to provide real-time support to users;
 - Competitively priced, providing the best possible value for money for Subscribers.

Sympli Infrastructure

- Sympli's shareholders have invested significant sums of money to establish the infrastructure required to operate an ELNO with a view to achieve interoperability and compete in the market.
- The single point of failure risk is only present on the retail market side of the ELNO market. On the wholesale side, Sympli already has connections with each of the land registries where required as part of its document roll out and business plan.

Financial Settlement Infrastructure

- Sympli operates financial settlement infrastructure through its arm's length commercial agreement with the ASX. Sympli's financial settlement infrastructure is accessed through ASX Financial Settlements Pty Limited, which has the requisite regulatory approvals, including Batch Administrator authorisation from the Reserve Bank of Australia, to support Sympli.
- Sympli's ELN financial settlement capability is activated with the major banks, with payment connections with Commonwealth Bank of Australia, Westpac, National Australian Bank and ANZ enabled to support the financial settlement of eConveyancing transactions.
- Sympli also operates trust accounting processes with all four major banks.

Land Title Offices and Land Registry Connections and Infrastructure

- Sympli currently services various conveyancing and legal firms, as well as providing transaction services for some of the major banks.
- Sympli is authorised to operate an ELN in the States of NSW, Queensland, Victoria, South Australia and Western Australia. Authorisation is being sought to operate in the ACT and the progress of eConveyancing in Tasmania and North Territory is actively being considered in order to execute Sympli's strategy to operate a national ELN.
- At the time of writing, Sympli has transfer transaction capability rolled out in New South Wales. The capability for Subscribers in other jurisdictions to perform transfers on Sympli will be expanded upon the roll-out of interoperability. Currently, financial institutions, lawyers and conveyancers are unable to perform any multi-party transaction that involves financial settlement due to the absence of interoperability.

Appendix 4: Sympli Response to PEXA Supplementary Response

Ref	PEXA assertion	Sympli response
2.1	Competition is possible without interoperability. Sympli has chosen not to compete in new jurisdictions and free-ride on PEXA's infrastructure.	<p>Sympli is approved to operate in five jurisdictions and has its own infrastructure to connect to land registries, revenue offices and the four major banks, at significant cost.</p> <p>Interoperability is necessary for competition. This is supported by the ACCC²¹ and others who agree that users will not agree to multi-home networks.</p>
2.2	Mandates did not assist PEXA's network growth.	<p>It is widely accepted across the industry and by competition experts that the take-up of eConveyancing was materially affected by the legislative mandate. In 2019, the ACCC noted that PEXA had a 60% conveyancing market share nationally, however over 90% in jurisdictions where eConveyancing was mandated.²²</p>
2.3	Interoperability increases the risk of transaction failure.	<p>Interoperability allows for the existence of multiple ELNOs in the market, with separate infrastructure. The technical model for interoperability allows for future innovation to leverage this infrastructure to create redundancies for interoperable transactions. Without interoperability, the market will continue to rely on a single point of failure.</p> <p>Key, large national practitioners (i.e. LawLabs and Dott & Crossitt) have clearly asserted that they would be able to re-establish a workspace on an alternate ELNO in minutes. In critical</p>

²¹ ACCC report on EConveyancing market reform, <https://www.accc.gov.au/system/files/Letter%20to%20ARNECC%20Chair%20and%20state%20and%20territory%20policy%20agencies%20-%20December%202019.pdf> pg 11 – “Enabling competition via interoperability is the preferred approach”.

²² ACCC report on EConveyancing market reform, <https://www.accc.gov.au/system/files/Letter%20to%20ARNECC%20Chair%20and%20state%20and%20territory%20policy%20agencies%20-%20December%202019.pdf> pg 4.

Ref	PEXA assertion	Sympli response
		circumstances they would welcome that option given in today's monopoly market they have no fallback whatsoever. This would mitigate the very real risk of families stranded on driveways on moving day due to an issue on the incumbent.
3.1	The interoperability scope has grown over time, which has been one of the causes of program delay.	The interoperability scope has not grown over time as PEXA have suggested. Instead, functional equivalence was determined to be necessary for interoperability so that transactions could be completed on any compliant ELN. This was included in the High-Level API Specifications in early 2021, which stated that <i>"Interoperability must not materially impact the Subscriber's experience."</i>
3.2	Financial institutions' increasing doubts about interoperability have not been caused by PEXA misinformation.	Sympli provided evidence of media articles reporting on letters sent by PEXA to ARNECC, financial institutions and state registrars which sought to prevent these parties from including essential items in the scope of the interoperability reform.
3.3	PEXA is withholding information from the interoperability program to protect its intellectual property and was cooperating with ARNECC prior to the program pause.	The sharing of information to the extent required for interoperability would not impact PEXA's intellectual property rights. Sympli faces the same considerations when providing our input into the interoperability design.
5.1	PEXA's pricing is sufficiently regulated and only increases by CPI and increased external costs where allowable.	Whilst PEXA's pricing is compliant with the MOR, their gross margin has increased from 71% in FY18 to 88% in FY24 – this is rational with the increased efficiency of technology over time. Without competition providing downward pressure on pricing, PEXA will continue to increase its pricing to the maximum extent allowed.

Ref	PEXA assertion	Sympli response
5.2	PEXA have continued to invest in their network despite a lack of competition.	Sympli has received anecdotal feedback that service has drastically reduced in jurisdictions once PEXA has received a critical mass of market share. Additionally, the ACCC notes that “in markets where services are provided by a monopolist, the ACCC routinely observes how the service provider has the incentive and ability, over time, to set prices and conditions for its services which unreasonably favour itself over the long-term interests of users of the service and ultimately, of consumers”. This demonstrates the misalignment of incentives to provide innovations and service without competition.
5.4	PEXA’s digital certificates cannot be opened without significant increased customer cost.	The technical and operational change required to allow broader use of PEXA’s existing digital certificates is minimal. Digital certificate solutions could be applied to ELNOs as an industry, with Subscribers issued digital certificates that can be used with ELNOs only. This would ensure that the digital certificates are open in the operation of eConveyancing but do not create the additional risk of being used in any circumstances and are closed in that regard, especially given the strict security requirements that must be adhered to by ELNOs.
5.5	Sympli’s complaints to the ACCC are “flimsy”, and misuse of market power is unlikely in eConveyancing due to the general competition laws and the MOR.	Sympli has provided substantive information directly to the ACCC and continues to do so. Additionally, the separation rules in the MOR are currently under review, which has found that the existing measures are insufficient.