



4 September 2025

**Submission to the Senate Economics References Committee  
Inquiry into Microeconomic Competition in the Australian Economy – eConveyancing**

**From: Australian Institute of Conveyancers (National Body)**

**Introduction**

The Australian Institute of Conveyancers (AIC National) is the peak body representing professional conveyancers across most states and territories. As practitioners, our members are the direct customers of Electronic Lodgment Network Operators (ELNOs). However, the ultimate stakeholders are Australian home buyers and sellers – the people our profession serves.

Buying or selling property is the most significant financial transaction for most Australians. The eConveyancing framework underpins this process and must therefore be competitive, secure, reliable, and affordable. The AIC National is united in supporting competition in the ELNO market, but we seek to provide the Committee with a balanced and independent perspective on the complex realities of delivering it.

**Why Competition Matters**

A competitive ELNO environment is essential for:

- **Choice for practitioners and consumers** – Conveyancers must have the ability to select the platform that best aligns with their workflow, ultimately benefiting buyers and sellers.
- **Pressure on service quality** – Competition encourages responsiveness, better customer service, and technological improvements.
- **Innovation and modernization** – Diversity in providers can stimulate investment in tools, cybersecurity, and system design, ensuring the system evolves.
- **Resilience** – More than one viable ELNO reduces reliance on a single provider and lessens the systemic risk of a single point of failure.

These are not abstract principles – they translate into smoother settlements, reduced disruption, and public confidence in the system.

**Risks of Market Concentration**

The current dominance of a single ELNO, PEXA, poses several challenges:

- **Consumer costs** – While PEXA's fees are subject to regulation, the absence of competition limits natural pricing discipline. Rising costs inevitably flow to buyers and sellers.
- **Innovation bottlenecks** – Without genuine competitive pressure, progress risks slowing, especially when interoperability is constrained.
- **Systemic vulnerability** – A monopoly provider in critical infrastructure exposes Australians to wide-scale settlement disruption in the event of outages or cyber incidents.

A monopoly model also risks entrenching upstream and downstream dependencies, where banks, brokers, and related service providers are locked into a single ecosystem, whereby making their own systems vulnerable.

## Interoperability – Promise and Limits

Interoperability (IOP) between ELNOs is widely regarded as the key to unlocking competition. In principle, interoperability ensures that conveyancers are not forced into one platform when their counterpart uses another. However, our members caution against overstating its benefits:

- **Costs** – Interoperability carries significant implementation costs across the industry, many of which will eventually be borne by consumers.
- **Innovation constraints** – True interoperability requires uniformity across ELNOs, potentially reducing differentiation and slowing innovation.
- **Practical resilience** – In reality, lenders and registries may not easily adapt to shifting between ELNOs at short notice, limiting the resilience gains.

Recent government publications highlight both progress and delays:

- In November 2023, ARNECC Ministers confirmed that limited refinance interoperability had gone live, with a roadmap targeting full interoperability by December 2025.
- In February 2025, ARNECC released *Next Steps on Interoperability*, acknowledging banking-sector concerns and commissioning further functional and cost-benefit reviews to reset implementation timelines.
- Independent reviews consistently show that interoperability is preferable to a regulated monopoly, though implementation challenges remain.

While interoperability remains important, it should not be presented as a panacea. It is one piece of a broader competition and regulatory puzzle.

## Costs, Security, and System Realities

In considering microeconomic competition within eConveyancing, it is important to balance principle with practice. While competition can deliver benefits, several practical realities must be acknowledged:

### Consumer Costs

Competition does not automatically equate to lower costs. Already, two additional fees have been introduced for every transaction:

- a fee for the establishment and maintenance of the database, and
- an additional fee payable to the responsible ELNO.

These are borne by subscribers but inevitably passed on to consumers. Further costs associated with interoperability and compliance are likely to follow, though the full extent remains undetermined. Over time, competition may discipline pricing, but in the short-term consumers are facing higher costs, not lower ones.

### Innovation and Security

Competition may stimulate improvements in user experience and workflow tools. However, within the Torrens Land Registration System, innovation does not necessarily translate into reduced errors or stronger data protection. On the contrary, more entry points into the system may increase vulnerabilities and compromise security. The system's integrity rests with the Torrens framework and registries, not with ELNOs alone.

### System Resilience

The “single point of failure” argument warrants qualification. While monopoly concentration carries risks, most settlement failures historically arise from revenue offices, registries, and banking platforms

— not from ELNOs. Introducing multiple ELNOs may reduce reliance on one operator but could simultaneously create more points of failure, producing greater vulnerability and delay.

### **Interoperability and Complexity**

Interoperability remains inevitable and essential to creating consumer choice. Yet its complexity has been underestimated, and it is already clear that implementation will carry significant costs that are ultimately borne by consumers. Policymakers must adopt a realistic view of both timelines and benefits. We also need to ensure that that regulation and enforcement are fit for purpose.

### **Monopoly and Public Interest**

In some areas of critical infrastructure, a regulated monopoly can be appropriate if subject to strong oversight and pricing control. The privatisation of the NSW, SA and WA Land Titles Offices is a relevant example, where monopoly was retained in the public interest. A nuanced approach is needed — competition where it clearly adds value, and strong regulation where monopoly may better serve system integrity.

### **Role of ELNOs**

Finally, ELNOs are facilitators of data transmission. They play an important role, but the indefeasibility and paramountcy of title remain with the Torrens system and registries. It is essential that ELNOs are recognised as service providers — not as custodians of property rights — and prevented from extending their role into conveyancing services themselves.

### **Broader Issues for Reform**

Beyond interoperability, AIC National believes the Senate Committee should consider:

- **Upstream and downstream risks** – The expansion of ELNOs into ancillary services (forms, payments, verification, etc.) raises concerns about conflicts of interest and competitive neutrality.
- **Regulatory design** – The current governance under ARNECC is fragmented, state-based, and under-resourced. The NSW Productivity Commission (June 2024) found ARNECC lacks adequate capacity and recommended stronger federal involvement.
- **Innovation and infrastructure renewal** – Ageing systems, inconsistent lender readiness, and shifting focus to AML/CTF reforms highlight the need for a forward-looking strategy that goes beyond fees and competition.
- **Demonstrating competition** – It is not enough to state “we support competition.” The question is how it should be structured, supported, and regulated to ensure public benefit.

### **Protecting the Independence of the Conveyancing Profession**

While competition between ELNOs is essential, the Committee must also consider the broader risk of vertical integration. Banks, ELNOs, Land Services and other upstream or downstream providers already hold significant influence over the property transaction process. Without legislative safeguards, there is a real risk these entities could expand into providing conveyancing services themselves.

Such a development would:

- **Erode consumer protection** – Conveyancers exist to act independently in the consumer’s best interests. If banks, Land Services, ELNOs were permitted to undertake conveyancing, commercial incentives could conflict directly with consumer outcomes.
- **Undermine professional independence** – Allowing those who control settlement infrastructure, finance, or data platforms to also act as conveyancers would compromise the integrity of the system.
- **Concentrate market power** – Vertical integration would entrench monopoly risks rather than address them, making it even harder for independent practitioners to compete.

The Australian Institute of Conveyancers strongly urges the Committee to recommend legislative change to explicitly prevent ELNOs, banks, and related entities from offering or controlling conveyancing services.

Protecting the independence of the profession is not only about safeguarding practitioners; it is about preserving a trusted framework where consumers know their conveyancer is working solely on their behalf.

### **AML/CTF and Regulatory Alignment**

The upcoming introduction of Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) obligations for conveyancers adds further complexity and compliance pressure to the system.

- **Increased obligations** – Conveyancers will be required to implement customer due diligence, monitoring, and reporting obligations, adding new costs to practice.
- **Reliance on ELNOs and banks** – These obligations will inevitably increase conveyancers' reliance on ELNO platforms and banking infrastructure for secure data flows, transaction trails, and compliance reporting.
- **Risk of overreach** – Without legislative safeguards, ELNOs or banks could expand further into the conveyancing workflow under the guise of AML/CTF compliance.
- **Regulatory overlap** – AML/CTF obligations are federal, while ELNO regulation remains state-based. This dual system risks inconsistency unless a federal oversight body is established.

We urge the Committee to ensure that competition reforms in eConveyancing are aligned with AML/CTF implementation, so that conveyancers are supported to meet their obligations without being forced into dependence on monopoly providers.

### **Federal Role**

The Federal Government must take a stronger role in safeguarding competition and consumer outcomes by:

1. **Mandating progress on interoperability**, aligned with ARNECC's national roadmap, and ensuring funding and technical support for staged delivery.
2. **Creating a national regulatory framework**, rather than relying solely on fragmented state-based oversight.
3. **Empowering the ACCC** to monitor pricing, enforce transparency, and prevent anti-competitive conduct – consistent with recommendations from the NSW Productivity Commission.
4. **Supporting innovation and resilience** through national standards, cybersecurity investment, and oversight of upstream/downstream integration.
5. **Exploring legislative alignment with the Competition and Consumer Act 2010 (Cth)** to ensure e-Conveyancing platforms are subject to modern digital platform competition rules.

### **Independent Reviews Supporting Competition**

A number of independent reviews reinforce the importance of competition and interoperability in eConveyancing, including:

- **Australian Competition and Consumer Commission (2019)** – highlighted risks of monopoly control.
- **Centre for International Economics Cost–Benefit Analysis (2020)** – concluded interoperability delivers greater long-term benefits than monopoly regulation.
- **IPART Pricing Review (2023)** – confirmed regulated pricing alone is insufficient to guarantee competition or innovation.

These reviews consistently recommend competition through interoperability as the most effective way to protect consumers and ensure system resilience.

## **Conclusion**

The Australian Institute of Conveyancers (National Body) urges the Committee to recognise both the promise and the limitations of interoperability, and to act decisively to foster a genuinely competitive, resilient, and consumer-focused eConveyancing market.

Australians deserve a system where buying or selling a home is not subject to inflated costs, unnecessary risks, or preventable disruptions. Achieving this requires more than rhetoric – it demands a balanced approach to competition, supported by national regulatory leadership and genuine consumer safeguards.

### **We therefore recommend that the Committee:**

- Mandate interoperability as part of a suite of reforms.
- Strengthen regulatory oversight with a federal body.
- Address upstream/downstream risks and conflicts of interest.
- Legislate to protect the independence of the conveyancing profession.
- Align competition oversight with the ACCC and national consumer protection frameworks.
- Ensure AML/CTF reforms complement, not compromise, competition and professional independence.
- Keep innovation, infrastructure renewal, and consumer protection at the centre of reform.

Yours sincerely,

**Australian Institute of Conveyancers (National Body)**

### **Supported by the following AIC State and Territory Divisions:**

AIC New South Wales  
AIC Northern Territory  
AIC South Australia  
AIC Tasmania  
AIC Victoria  
AIC Western Australia