

Dr Sean Turner
Committee Secretary
Senate Economics References Committee
Australian Parliament
By email: Economics.Sen@aph.gov.au

Dear Dr Turner

Inquiry into micro-competition opportunities in eConveyancing: Response to Independent Payments Forum Australia

Thank you for the opportunity to respond to the submission of the Independent Payments Forum Australia (IPFA) to the Inquiry into micro-competition opportunities in eConveyancing.

The submission repeats many of the misapprehensions contained in some other submissions to the Committee, which we have endeavoured to correct in PEXA's submission to the committee, and its Supplementary Submission.

In addition, PEXA does wish to correct some specific issues.

The IPFA submission claims (p.6) that PEXA threatened legal action when the regulator wanted to cap PEXA prices. This is incorrect; PEXA's prices have been capped since 2013, and PEXA has not threatened legal action over price caps. PEXA is permitted to increase its prices to reflect increases in costs imposed by regulators, and it has recently requested to do so in response to additional charges unilaterally imposed on ELNOs by State Revenue Offices and NECDS.

The IPFA submission claims (p.6) that PEXA threatened legal action against ARNECC and major banks on a loose basis of intellectual property ownership. This is incorrect; PEXA wrote respectfully to both ARNECC and bank pointing out that it had valid IP claims that should not be infringed. It did not threaten legal action, as clearly evidenced by the letter of 17 April 2023 provided to the Committee by PEXA. The substantive nature of PEXA's IP claims is addressed in PEXA's submissions.

The IPFA submission claims (p.6) that prices charged to different subscribers are not transparent, as found by the NSW Productivity and Equality Commission. This is incorrect; PEXA charges all subscribers the same price for a given transaction type, as per the pricing schedule on PEXA's website. PEXA does not provide any discounting to this publicly

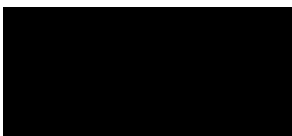
disclosed pricing for any customer. PEXA did not provide this evidence to the NSW Productivity and Equality Commission because the Commission did not give PEXA an opportunity to do so. PEXA has detailed its serious concerns with the process and methodology of the NSW Productivity and Equality Commission in the appendix to its March submission to the Committee.

The IPFA submission claims that PEXA has unacceptable outages and presents an unacceptable risk as a single point of failure. PEXA does not accept this characterisation. As detailed in PEXA's evidence provided at the Committee's hearing, only 0.05% of all workspaces settled during FY24/25, were prevented from settling on the scheduled date as a direct result of a network incident. While, at times, incidents that prevent some users from using some functionality occur, PEXA has minimised the impacts on property buyers and sellers, ensuring that the vast majority of transactions occur on the planned day, the small remainder are settled very soon thereafter. Further, as noted in evidence to the Committee, PEXA has robust cyber security protections as designated critical national infrastructure.

Finally, PEXA also strongly disagrees that it employs "bullying tactics" (p.4). PEXA engages respectfully and in good faith with its customers, partners, regulators and government. PEXA is, of course, bound by a fiduciary duty to its shareholders to protect its intellectual property, but it fulfils this obligation while maintaining high professional and governance standards.

Thank you again for the opportunity to respond to the IPFA submission.

Kind regards,



Clare Gill
Chief Regulatory and Corporate Affairs Officer