



Thursday, 7 November 2019

Ms Cristina Cifuentes
Commissioner
Australian Competition and Consumer Commission
Level 20
175 Pitt Street
Sydney NSW 2000

Dear Cristina

We welcome the involvement of the Australian Competition and Consumer Commission (ACCC) in establishing a competitive e-conveyancing market in Australia.

Sympli and its shareholders, ASX and InfoTrack parent Australian Technology Innovators (ATI), are pleased to be investing in the e-conveyancing industry as we aim to deliver enhanced electronic conveyancing services and value for money to consumers.

We strongly believe that consumers of e-conveyancing services are best served by a competitive ELN market as it will maintain pressure on prices, drive innovation and enhance services. Furthermore, by establishing a second infrastructure for end-to-end settlement and lodgment services, Sympli will improve the resilience of the industry. There is widespread support throughout the industry for effective ELN competition.

In this letter we wish to address two key matters:

1. The benefits of competition are substantial and outweigh the cost of implementing an ELN to ELN interoperability API; and
2. Sympli is operating in the e-conveyancing market and therefore there is competition between ELNs today, but not yet a model to enable effective competition.

1. The benefits of competition are substantial and outweigh the cost of implementing an interoperability API

ELNOs can interoperate by communicating with each other through an Application Programming Interface (API). APIs are commonly used communication protocols and represent business-as-usual activity for any ELNO. An ELN-to-ELN API would be built and maintained alongside the dozens of other API connections that ELNOs already have in place with land registries, revenue offices, banks and third-party software providers.

We estimate the cost of building an ELN-to-ELN API would be in the order of \$1-5 million per ELNO and should be absorbed by the connecting ELNOs.

There should be no other significant cost of implementing interoperability against the background of the multi-ELN market already in place. For example, as Sympli is establishing its own end-to-end settlement and lodgment infrastructure, the cost of this infrastructure is effectively sunk and does not represent a cost of implementing interoperability. Similarly, Australia's largest financial institutions are already undertaking the work necessary to connect to Sympli, and the costs which they are incurring also do not represent a cost of interoperability.

The potential fee savings arising from interoperability are substantial because interoperability allows every party to choose the ELNO that best suits them, meaning that they can always avail themselves of the ELNO that offers the greatest value to them. Comparing Sympli's existing transaction pricing schedule to the incumbent's pricing demonstrates that the potential fee savings for consumers from interoperability are around \$65 million per year. To put this in perspective, the potential savings from interoperability in the e-conveyancing market alone is worth more than the total annual equity settlement market of c.\$50 million.

On a transaction basis, potential fee savings for consumers are in are in the order of:

- ❖ \$76 per four-party transfer transaction (25% saving on incumbent's pricing)
- ❖ \$45 per refinance transaction (50% saving on incumbent's pricing)

See Appendix A for the calculation of potential fee savings per transaction.

Competition through interoperability will also offer a range of other benefits that cannot be easily quantified and include (but are not limited to) improving settlement efficiency and reducing settlement risk through investment in integration, automation and workflow management.

2. Sympli is operating in the e-conveyancing market and therefore there is competition between ELNs today, but not yet a model to enable effective competition

Sympli is operating in the Australian market. Sympli was granted its Category 2 approval by ARNECC in November 2018 and has been regularly lodging documents in small volumes on behalf of clients in Victoria and Queensland since December 2018. More recently, Sympli completed its first registration transaction in New South Wales and has been granted the right to operate in South Australia (subject to satisfactory completion of technical testing). Additionally, we are working closely with Landgate in Western Australia with a view to being operational in the State in early 2020.

Sympli is also advancing the technology connections required with the major banks to support financial settlement. As of the date of this letter, Sympli has a connection and subscriber agreement in place with one of the major banks and is in various stages of progress with the other major banks. Additionally, and in support of the payment process for settlement, the ASX has been formally approved by the RBA as a 'batch administrator' to manage the financial settlement element of property transactions which are completed through Sympli.

Sympli's shareholders have invested on the basis that ARNECC will establish a model for safe and effective competition in a multi-ELNO market. Fostering competition will require positive action from ARNECC and we welcome the ACCC's contribution to this matter of national importance.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'David Wills', written in a cursive style.

David Wills
Chief Executive
Sympli Australia



Appendix A – Fee Savings Per Transaction

Fee Savings					
	Sympli Pricing	PEXA Pricing	Per Transaction Saving	Estimated Annual Transactions (000s)	Annual Fee Savings (\$m)
<i>Transfer Transaction</i>					
Transfer x 2	\$ 193.60	\$ 228.14			
Mortgage	\$ 28.60	\$ 57.20			
Discharge	\$ 21.45	\$ 42.24			
Total	\$ 243.65	\$ 327.58			
Total ex GST	\$ 221.50	\$ 297.80	\$ 76.30	700	53.4
<i>Refinance Transaction</i>					
Mortgage	\$ 28.60	\$ 57.20			
Discharge	\$ 21.45	\$ 42.24			
Total	\$ 50.05	\$ 99.44			
Total ex GST	\$ 45.50	\$ 90.40	\$ 44.90	200	9.0
<i>Other Registrable Instruments</i>					
Caveat & Withdrawal	\$ 13.64	\$ 16.06			
Total ex GST	\$ 12.40	\$ 14.60	\$ 2.20	100	0.2
Blended Other	\$ 31.50	\$ 37.80			
Total ex GST	\$ 28.64	\$ 34.36	\$ 5.73	400	2.3
Total					64.9