

LAND AND PROPERTY INFORMATION NSW (AUTHORISED TRANSACTION) REPEAL BILL 2017

First Reading

Bill introduced on motion by Mr Clayton Barr, read a first time and printed.

Second Reading

Mr CLAYTON BARR (Cessnock) (10:38): I move:

That this bill be now read a second time.

It is with considerable sadness that I introduce the Land and Property Information NSW (Authorised Transaction) Repeal Bill 2017 to Parliament today. Quite frankly, I wish, for the sake of the people of New South Wales, that it did not come to this. Legislation in this place is not always an emotional experience for members of parliaments, but in this case I can confirm that for me it is. The idea that we would sell our land titles registry makes me incredibly sad.

People sometimes wonder about the role or the purpose of an opposition in Parliament. In essence, there are two things. Ideologically and philosophically governments and oppositions have their differences—that has stood the test of time. But in this instance the purpose of the Opposition is to save the Government from itself. In attempting to do that, let us deal with a few core facts about the proposed transaction authorised by the bill I am seeking to repeal today. Let us start with the companies that are said to be bidding for the privilege of owning this exquisite, incredibly profitable, monopoly business.

Almost all the companies in the bidding have an underlying funding model that is linked to off-shore shelf companies based in the Cayman Islands and other similar tax havens. It is unthinkable that a State government in Australia would consider entering into a sale process that supports tax evasion. But here we are on the brink of exactly that. If the tax avoidance is not enough to scare the pants off us think about the security and uncertainty. These \$2 shelf companies are set up deliberately so that they can disappear easily. That is their point. These companies will not give a jatz cracker if the New South Wales land titles registry falls over; their only concern is their ability to profit from it. They will not care if it all goes pear shaped because that is the very business model they have set up.

Let me be crystal clear: The majority of the potential buyers of our land titles registry are companies that will happily wipe their hands and walk away at the first sniff of trouble or as soon as their profits are no longer protected. Let us call that what it is—sovereign risk. In September 2016 I made the point that strategically an invading armed force will target the land titles registry as its first goal in an attack. But here in New South Wales we are on the brink of saying to the world, "Do not bother invading us; we will just sell it to you, even though you are a dodgy shelf company with no real interest in the success or failure of our State." How can that be anything other than sovereign risk?

Secondly, in explaining why this repeal bill must succeed, I want to address the issue of title insurance as a consequence of privatisation of our land title registry, which will place an additional cost on already struggling households. As much as the Premier wants to say that title insurance will not be required, that decision is not up to her. It will be the financial industry that decides whether or not it will insist on title insurance and that decision will be based on its confidence in our title system. At the moment, title insurance is not required because the financial institutions have absolute confidence in our titling system. The banks will be very eager to head into the title insurance business because they will offer that product as one of their services. The banks will have a vested interest in making title insurance compulsory. Is there anyone—apart from the Premier—who cannot see that?

It is not for the Premier to speak about title insurance because she will have no control over it whatsoever. One financial institution already insists on title insurance and has done so for the past 10 years. That is not a secret; one just has to google it. One of the Big Four banks has already considered the issue of title insurance based on whether or not this sale goes ahead. There is nothing the Premier can do about that. The Premier should stop telling people that there is nothing to worry about. The issue of title insurance is so important to us in this place because it speaks to housing affordability for every aspiring home owner in New South Wales and every member of Parliament should care about that.

A third reason this repeal bill is so important is privacy. I acknowledge that the legislation I am seeking to repeal today, states that the data server must be physically located in New South Wales. But that is irrelevant. It is clever, sneaky and misleading language used by the Government as a smokescreen. A data server is simply a cloud and on the worldwide web the server—the cloud—can be based anywhere and accessed from anywhere. Many members of this House will have photos and music stored in the cloud but not one of them could tell us where that server is. Where is that server? No-one knows. The idea that we are going to have the server based in New South Wales—in line with the legislation—is nothing but a smokescreen.

Shelf companies are lining up to buy this asset. It is clear that they will be based somewhere else in the world. They are only required to be in New South Wales for the first 12 months and in the contract for sale in the deed there are clear instructions about "when", "how", "if" and "if you wish"—"to locate themselves somewhere other than New South Wales". So it is clear that the new owner—one of these Cayman Islands-based shelf companies—will go outside New South Wales and access the land title registry cloud that will be set up on the internet.

After seeing the United States presidential election hacked by the Russians, we would be extremely naive to think that our land title registry will not be subject to hacking once it is in the cloud and on a server that can be accessed from other parts of the world. But hacking is not the main issue here. The main issue is that our land title registry dataset, with the personal and private information of millions of New South Wales people, will be able to be mined for its data by the new owner. They will have access to information about our debts, wages, salary, income, marital status, financial structures and tax details. It goes on and on. That information can be used to benefit the shelf company. The Premier, and the legislation, says that farming of the data will not be permitted. That is a lie and we must not be so naive, blind or stupid to fall for it. Of course the new owners will mine, farm, process, digest, use and on-sell our personal information—because they are in the business of making money. The Government of New South Wales will be unable to do anything about it. The New South Wales Government will have no way of knowing that data mining is occurring. The New South Wales Government will have no means and no grounds by which it can audit the database to determine whether or not the files have been copied, saved elsewhere, processed, sorted, summarised or sold. I am not making this up—it is a simple fact.

The powers of the Register General in the concession deed and in the legislation only allows the Registrar General to investigate the use of the database if he or she can prove to the new operator that there are reasonable grounds for doing so. It is straightforward and anyone with a hint of technological knowledge will understand it. The so-called step-in powers reserved by the Government are meaningless. They cannot apply to the data and, even if they did, it is not possible to see that data is being pilfered. It is not possible to take action over something that one is unable to detect or prove. The reality of this sale is that our private information about our assets, wealth, marital status, et cetera, is going on the market—not just the land title information but also our personal information.

The fourth reason to support the bill is the Government's secrecy throughout the entire sale process. I note the decision of the court this week regarding the Ku-ring-gai Council forced merger. The magistrate stated in his ruling that he found in favour of Ku-ring-gai Council because the

information and reports supporting the forced merger process had been hidden and kept secret. I will now inform the House about some of the documents that have been kept secret from the people of New South Wales and this Chamber. The first scoping study from 2012 reportedly said, "Do not sell" and it is not available. The second scoping study from 2014 which said, "Do not sell", is not available.

The third scoping study in 2015 which said, "Selling is a wonderful idea", is not available. The review of the fees and charges that declared a 700 per cent increase in some of the fees and charges to be normal, is not available. The first expression of interest paper released to interested parties is not available. The second detailed document that gave financial and structural information to bidders so that they could gauge their interest, is not available. The third and final concession deed document, the contract for sale, is not available. None of the seven documents is available. The Government is showing utter contempt for the people of New South Wales—the same people who funded the documents and reports.

If the reports are supportive of the sale why hide them? The Government should wear them as a suit of armour, hold them up as evidence and say, "This is wonderful. This is why, and here is the proof." But none of those documents is available. These documents are available to the people who are looking to buy but they are not available to the owners of the land registry—the people of New South Wales. What sort of infantile logic is that? I have a more thorough and logical conversation with my five-year-old child when we are talking about ice-cream. She understands the exchange of ideas and I cannot hide a thing from her. This Government, when dealing with the State's most precious crown jewel, has kept it all a secret.

This Government did not properly inform its own members. It did not tell them about the implications of this sale. It did not give them the details. I know that some Government members who were approached about the issue said that they were lied to. They were lied to by their own parties. Those are not my words; they are the words of Government members. Finally, NSW Land and Property Information [LPI] is a world leader and has exported its model, practices and procedures to the rest of the world. Technologically the LPI office is cutting edge. It is utter nonsense that there needs to be a technical upgrade and that the private sector will do it better; it is utter gutter nonsense. If we have the best system in the world we celebrate it.

Over the past few years I have listened to the Premier's contributions on this issue. It is essential to remind members that the Premier—the former Treasurer—introduced the Land and Property Information NSW (Authorised Transaction) Bill 2016. She led for the Government in debate on this issue. Each time the Premier speaks about selling the land titles office it is clear that she does not understand the business she is selling. I understand the need for Government members to defend their leader and I commend them for that; it is what they should do.

Let me give an example of the Premier's ignorance concerning what she is selling. She refers to it as "just the admin part", but nothing could be further from the truth. The keepers of our land registry are not a simple collection of admin assistants from a temping pool, as the Premier would have us believe. The land titles office employs highly skilled and trained experts in the fields of law, survey, mapping, spatial data, planning, registration and mediation. They spend their entire lives building the skills to do the work. There are dozens of jobs in the land registry office that cannot be done by anyone with less than 10 or 20 years experience.

These people cannot be replaced by a temp from an admin agency. Once these people are gone we cannot replace them. That makes the 35-year concession or the idea that the Government has step-in powers farcical. New South Wales will never be able to resume control of the land registry because these amazingly skilled people will not be available. Any admin person could be the Premier—that is a fact—but only the highly trained and skilled can be the land registry keepers. I commend this repeal bill to the House. I declare this bill to be an urgent bill.

The DEPUTY SPEAKER: The question is that this bill be considered an urgent bill.

The House divided .

Ayes36

Noes44

Majority8

AYES

Aitchison, Ms J	Atalla, Mr E	Barr, Mr C
Car, Ms P	Catley, Ms Y	Chanthivong, Mr A
Cotsis, Ms S	Crakanthorp, Mr T	Daley, Mr M
Dib, Mr J	Donato, Mr P	Doyle, Ms T
Finn, Ms J	Foley, Mr L	Greenwich, Mr A
Harris, Mr D	Harrison, Ms J	Haylen, Ms J
Hoenig, Mr R	Kamper, Mr S	Lalich, Mr N (teller)
Leong, Ms J	Lynch, Mr P	McDermott, Dr H
McKay, Ms J	Mehan, Mr D	Minns, Mr C
Park, Mr R	Piper, Mr G	Robertson, Mr J
Scully, Mr P	Smith, Ms T F	Warren, Mr G
Washington, Ms K	Watson, Ms A (teller)	Zangari, Mr G

NOES

Anderson, Mr K	Aplin, Mr G	Ayres, Mr S
Barilaro, Mr J	Bromhead, Mr S (teller)	Connelly, Mr K
Constance, Mr A	Coure, Mr M	Crouch, Mr A
Davies, Ms T	Dominello, Mr V	Elliott, Mr D
Evans, Mr L	Fraser, Mr A	Gibbons, Ms M
Goward, Ms P	Gulaptis, Mr C	Henskens, Mr A
Hodgkinson, Ms K	Humphries, Mr K	Johnsen, Mr M
Kean, Mr M	Lee, Dr G	Maguire, Mr D
Marshall, Mr A	Notley-Smith, Mr B	O'Dea, Mr J
Patterson, Mr C (teller)	Pavey, Mrs M	Perrottet, Mr D
Petinos, Ms E	Piccoli, Mr A	Provest, Mr G
Roberts, Mr A	Rowell, Mr J	Sidoti, Mr J
Speakman, Mr M	Stokes, Mr R	Taylor, Mr M
Toole, Mr P	Upton, Ms G	Ward, Mr G
Williams, Mr R	Williams, Mrs L	

PAIRS

Hornery, Ms S	Tudehope, Mr D
Mihailuk, Ms T	Berejiklian, Ms G

Motion negated.

Debate adjourned.