

**INQUIRY INTO COMPETITION REFORMS IN
ELECTRONIC CONVEYANCING**

Organisation: lawlab Pty Ltd
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Select Committee on Competition Reforms in Electronic Conveyancing
NSW Parliament House

5 October 2025

Dear Committee Members,

Re: Submission to Select Committee on Competition Reforms in Electronic Conveyancing

I am a director of lawlab Pty Ltd.

I write this submission to raise serious concerns about the by the lack of competition in Australia's electronic settlements market, and to ask that NSW implement competition as was legislated by the NSW Parliament in 2022.

lawlab Pty Ltd

Lawlab is one of Australia's largest independent property law and conveyancing firms. We operate nationally, servicing clients across metropolitan, regional, and remote areas, and we complete many thousands of transactions each year. Our team has long been at the forefront of digital conveyancing and online service delivery, which gives us a unique vantage point on both the opportunities and risks inherent in the current market structure.

Why Competition Matters

The absence of genuine competition in the electronic settlements market is not a theoretical concern—it has direct consequences for consumers and practitioners. Without competition:

- innovation is stifled,
- costs remain high and unchallenged, and
- systemic risks are concentrated in a single platform.

A competitive framework would deliver better outcomes through lower prices, enhanced features, and improved security, while also providing essential redundancy in the system.

PEXA outages and Systemic Risks to NSW property market

Relying on a single platform to settle property across NSW is a major risk to homebuyers and we have seen the impacts already. For example, the May 2025 outage of PEXA demonstrated how vulnerable the system is when property settlements across the country are dependent on a single operator.

Delays to thousands of transactions inflicted financial loss and significant stress on consumers. NSW needs to have a backup in the case of a 'Crowdstrike' outage which is a real risk given PEXA consistent outages on their platform.

'Pricing freeze' until competition is delivered

The PEXA monopoly has increased their service fees by almost 30% since 2018. They are unfairly given approval by the NSW Government to put up their prices by CPI each and every year despite the fact that there is no competition. Last financial year PEXA recorded an EBITDA gross margin of 55% which is excessively high and indicative of Monopolistic Rent.

The NSW Registrar-General has the power to effectively freeze ELNO fees until such time as there is competition in this market. Not only should this be used as a lever to drive PEXA to the table, but it will protect industry from continued price hikes.

NSW needs to give industry clarity and use powers to enforce

Our industry has been waiting for 7 years for choice in this market. NSW needs to continue to play a leadership role in this reform. NSW needs to give industry clarity as soon as possible on next steps once the ARNECC reviews are completed.

Once a decision has been made, NSW should use their enforcement powers which were legislated in 2022 to compel PEXA to contribute to the interoperability reform. It is clear that PEXA will not come willingly to the table.

Banks are blocking competition for small businesses

Banks are currently blocking competition for any small businesses that wants to use another provider. For example, they do not accept invites from industry to complete property transactions on the only other service provider, Sympli. This must be called out for what it is: anti-competitive. Banks either need to support interoperability or provide another provider for small businesses. Commonwealth Bank has a clear conflict of interest due to their shareholding in PEXA.

Recommendations

We recommend the Committee consider the following actions:

- 1) Recommend the NSW Government use pricing powers to freeze ELNO service fees until such time as there is competition in the market,

- 2) Direct the NSW Government to implement interoperability urgently as has been legislated and use enforcement powers were appropriate to compel the monopoly to participate in the reform and meet deadlines,
- 3) NSW Government to write the major banks asking for them to support choice for the legal and conveyancing industry as soon as possible.

Conclusion

We urge the Committee to act decisively to ensure that digital conveyancing evolves in the interests of consumers and the broader economy - inaction will erode our property market and lead to detrimental outcomes for homebuyers. NSW must also implement interoperability as has been legislated.

You, the Parliament of NSW, legislated the PEXA settlements monopoly, trashing the very competitive manual settlements system that had over 10 000 lawyers, conveyancers and settlement agents able to provide settlement service. PEXA lobbied you by highlighting a very small number of settlement failures and saying they were common. Ironically they have recently given a figure of 1 in 2000 failures in their own system which I think is about the same as the old system. You created the monopoly therefore you are the ones who must now re-create an environment where competition can again flourish. It's your responsibility.

Thank you for considering our submission. We would be pleased to provide further detail and appear before the Committee if that would be of assistance.

Yours sincerely,

Richard Bootle

Director, lawlab Pty Ltd