7 August 2026

Head of Payments Policy Department
Reserve Bank of Australia

By email: pysubmissions@rba.gov.au

RE: Review of Payments System Regulation – Issues Paper: Response to Question 19

Sympli Australia Pty Ltd (**Sympli**) welcomes the opportunity to respond to the Reserve Bank of Australia's (**RBA**) Review of Payments System Regulation Issues Paper (**Review**). This submission responds solely to Question 19.

Sympli's submission is that the market structure of Australia's electronic conveyancing (**eConveyancing**) system, and in particular the absence of interoperability between Electronic Lodgment Network Operators (**ELNOs**), as an issue that is relevant to be addressed as part of this Review. It raises material competition and financial system concerns leg of every eConveyancing transaction settles across the RBA's own settlement infrastructure; and it sits within a regulatory gap that the December 2025 expansion of the Payment Systems (Regulation) Act 1998 (**PSRA**), is now capable of addressing.

1. About Sympli

Sympli is one of only two ELNOs approved by the Australian Registrars' National Electronic Conveyancing Council (**ARNECC**) to operate in Australia's eConveyancing system. Sympli was established to provide genuine competition to the incumbent, PEXA, and has built the national infrastructure required to lodge dealings with land registries and to facilitate the financial settlement of property transactions.

2. Executive Summary

Australia's eConveyancing market is served by a single dominant provider, PEXA, which holds close to the entire eConveyancing market. This concentration harms both competition (there is no effective constraint on the incumbent) and financial safety (the settlement of Australian property transactions depends on a single operator and a single set of rails, with no redundancy).

There are two possible resolutions, and both require a regulator with remit over financial settlements to resolve a regulatory gap:

A. **Interoperability** - ARNECC has paused its interoperability program and has said expressly that it will not proceed without the Commonwealth Government and its regulatory agencies, including the mandating of bank participation where appropriate. The core obstacle is not technical feasibility; it is the absence of a regulator accountable for the payments and settlement dimension of the ecosystem as a whole, and the resulting inability to give banks the certainty they need to participate.

B. **Structured support for multiple ELNOs in purchase transactions** - If interoperability is not realised, the market can only function competitively if there is an agreed, fair process for determining which ELNO is used in a multi-party transaction. At present there is none, and because financial institutions can effectively dictate the choice of ELNO, competition cannot take hold.

The RBA is the natural home for this role, and the expanded PSRA now provides the lever. The financial settlement of eConveyancing transactions occurs across the Reserve Bank Information and Transfer System (**RITS**). The December 2025 amendments to the PSRA broadened the definition of a "payment system" to reach arrangements that facilitate the making of payments. Sympli respectfully asks the RBA to consider whether ELNO arrangements fall within, or should be brought within, its remit on that basis, and to prioritise this issue accordingly.

3. The issue: a concentrated market engaging both competition and financial safety

3.1. A near-total incumbent monopoly

eConveyancing transactions are lodged with land registries, and their financial settlement is arranged, through an ELNO. Australia has only two active ELNOs: the incumbent PEXA, established by governments in 2010 and privatised in 2018; and Sympli, a later entrant.

The market is not merely concentrated; it is close to a complete monopoly. The independent economic analysis commissioned by ARNECC[1] found that in the first half of 2025 PEXA held approximately 90 per cent of the conveyancing market and approximately 99 per cent of the eConveyancing market, with an expectation that its share would gradually increase toward 100 per cent. Sympli's eConveyancing share was around 1 per cent. IPART reached the same figures for 2024–25 and observed that, without interoperability, Sympli has been unable to grow its share and the market is likely to remain highly concentrated.[2]

This is a textbook network-effects problem. Because the competing ELNO systems do not interoperate, every party to a transaction (both practitioners and both financial institutions)

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[1] Nous Group, Economic analysis of reform options for the eConveyancing market (prepared for ARNECC, 19 December 2025).

[2] IPART, Review of Electronic Lodgment Network Operator service fees (Discussion Paper, March 2026).

must use the same operator to transact with one another. Rational parties therefore gravitate to the operator most used by everyone else, which entrenches the incumbent regardless of the merits of any competitor. The ACCC has warned that, if PEXA's dominance remains unchallenged over the longer term, the incumbent will have little incentive to innovate, to pass through efficiencies in the form of lower prices, or to respond to stakeholder concerns.[3]

The consequences are already visible in price and contestability. IPART regulates ELNO service fees precisely because market concentration removed competitive pressure, and a succession of would-be entrants has withdrawn, citing the impossibility of building share against a non-interoperable incumbent.[4]

3.2. Why this is a payments system issue, and why it sits in a regulatory gap

With the exception of standalone lodgments, an eConveyancing transaction has two legs: a lodgment leg (the registration of dealings with the relevant land registry) and a financial settlement leg (the movement of funds between the parties and their financial institutions). An ELNO is responsible for ensuring that both of these activities occur for each transaction.

The distinction between these two activities that form a transaction give rise to a regulatory gap. ARNECC and the Registrars regulate the lodgment leg and the integrity of the land title system, however they hold minimal authority (if any) with respect to financial transactions that support these instruments.

The Electronic Conveyancing National Law was amended in 2022 to require ELNOs to be interoperable, and it expressly provides that the land title Registrars are not responsible for regulating the "Associated Financial Transactions",[5] being the financial settlement that forms part of an eConveyancing transaction. Responsibility for the financial settlements leg was therefore consciously placed outside the Registrars' remit.

The Council of Financial Regulators (**CFR**) has previously identified this gap and asked the Australian Payments Network (**AusPayNet**) to develop a framework for the payment aspects of eConveyancing. The resulting eConveyancing Payments Industry Code (**Code**) was approved by the AusPayNet Board on 31 August 2023.[6] However, the Code does not close this gap for a number of reasons.

Firstly, the Code is not yet operational**.** AusPayNet opened the Code's membership application process in 2025, but as at the date of this submission the Code has not been enlivened as a functioning framework. Critically, since Code participants can transact only

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[3] ACCC report on e-conveyancing market reform (2 December 2019).
[4] Lawyers Weekly, "Lextech withdraws from ELNO race" (13 May 2025).
[5] Electronic Conveyancing National Law, s 40.
[6] AusPayNet, "The eConveyancing Payments Industry Code" and "e-Conveyancing Payments".

with other participants, universal participation by all relevant banks is effectively a precondition for the Code to operate as intended, and that precondition has not been met.[6]

Secondly, it covers only a small portion of the financial settlement aspects of an eConveyancing transaction. By design, the Code standardises the settlement of eConveyancing payments. It does not address the broader arrangement: the user experience, the workflow, or the competition and resilience consequences of interoperability (or its absence) across the ecosystem.

A voluntary industry code (other than the ELNOs, who are required to comply with the Code under the Model Operating Requirements), confined to one leg of the transaction and dependent on participation it cannot compel, is not a substitute for a payments regulator with a whole-of-ecosystem view. That is the gap Sympli asks the RBA to consider filling.

The December 2025 amendments to the PSRA are the lever. Those amendments (given effect through the Treasury Laws Amendment (Payments System Modernisation) Act 2025 (Cth)) substantially broadened the definition of a "payment system" so that it is no longer confined to the circulation of money, and now reaches arrangements under which funds transfers are made and services that facilitate a payment being made, including three-party and closed-loop arrangements.[7] The broadened definition is capable of capturing the ELNO-operated settlement arrangement. Sympli's submission is that the RBA should consider whether ELNO arrangements fall within, or should be brought within, its remit on that basis.

3.3. Financial safety: concentration creates a single point of failure

Competition is not the only concern. The concentration of eConveyancing on a single operator creates a systemic resilience risk in a critical part of the financial system.

The scale is significant. On PEXA's own evidence, its platform processes more than 20,000 family-home settlements each week and around 1.2 million transactions each year,[8] and the aggregate value of property settled in FY25 was approximately $726.6 billion.[9] PEXA has been designated as critical infrastructure under the Security of Critical Infrastructure Act 2018, which is itself an acknowledgement of the systemic consequences of disruption.

Because there is no genuine alternative to PEXA, noting Sympli's current market share and the removal of paper lodgments in most jurisdictions, any disruption cascades with no path to recovery. PEXA's own submission to the NSW Legislative Council inquiry disclosed 93 Severity 2 and Severity 3 incidents in the past financial year, of which 8 caused a total of 576

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[7] Treasury Laws Amendment (Payments System Modernisation) Act 2025 (Cth).
[8] PEXA, submission to the NSW Legislative Council Select Committee on Competition Reforms in Electronic Conveyancing (September 2025).
[9] PEXA Group, "Property Insights: FY25" (22 July 2025).

transactions to fail to settle on the scheduled date.[10] The May 2025 outage, which impacted settlements across multiple jurisdictions, illustrated the point in practice.[11]

To be clear, the systemic concern is not the reliability of any specific operator; on the contrary, the fact that most disruptions originate in interconnected third-party systems reinforces the argument. The problem is concentration. When every settlement depends on one rail, a failure anywhere in the ecosystem has no alternative to fail over to. Interoperability, or at minimum a genuinely contestable second operator, would introduce the redundancy that a single-operator market structurally cannot provide. This is a financial-safety consideration squarely within the RBA's public-interest mandate, which is directed at controlling risk in the financial system.

4. Resolution 1: interoperability, anchored by the RBA

Interoperability is the best resolution. It would allow parties on different ELNOs to transact with one another, dissolving the network effect that entrenches the incumbent, and would build redundancy into a system that currently has none.

The program is not stalled for want of technical feasibility. ARNECC's independent reviews examined the direct-connect model in detail, and both ELNOs engaged substantially in the design work. Following the Ministerial Forum of 24 March 2026, ARNECC announced that it would not proceed with the interoperability program at this time, citing the need for the Commonwealth Government and its regulatory authorities to lead, participate and support any model for it to succeed, including mandating bank participation where appropriate. Ministers recognised that critical aspects of interoperability, including financial settlement and banking integration, fall within Commonwealth jurisdiction, because the States and Territories do not regulate banks. ARNECC has confirmed it will continue to work with Commonwealth regulators to close identified gaps in the regime, specifically including bank financial settlement processes and national competition oversight.[12]

Sympli understands the view of stakeholders such as the banks with respect to interoperability. They are concerned that interoperability, if not implemented in a way that preserves their existing functionality and integration, could disrupt day-to-day operations and carry cost and risk implications. They are also concerned that no single regulator is accountable for the ecosystem as a whole, since ARNECC and the Registrars regulate the

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[10] PEXA, submission to the NSW Legislative Council Select Committee on Competition Reforms in Electronic Conveyancing (September 2025).

[11] Australian Conveyancer, "Disruption prompts calls from conveyancers for action against PEXA" (May 2025), and The Adviser, "E-conveyancing competition calls intensify after PEXA 'issue'" (19 May 2025).

[12] ARNECC, "Statement on the recent Ministerial Forum: The Future of Competition Reforms in eConveyancing" (dated 31 March 2026).

lodgment aspects of eConveyancing, without appropriate subject matter expertise in financial settlements. A payments regulator with authority over the settlement dimension, and with the standing to coordinate participants and set the terms of participation, is the missing piece. The RBA is well placed to be that anchor. It already oversees RITS, has deep experience coordinating interoperability and standardisation across payment systems and, following the December 2025 amendments, it has a statutory basis to bring the arrangement within its remit.

Sympli therefore submits that the RBA should prioritise a formal role in the eConveyancing ecosystem to provide the payments-system regulatory structure that ARNECC and the CFR have both identified as necessary but absent. That role would give the banks the certainty and the mandate they say they require, and would allow the interoperability reform to resume on a sound footing.

5. Resolution 2: if interoperability is not realised, a fair ELNO-selection process

If interoperability cannot be delivered, the market can still be made contestable, but only if the process for selecting which ELNO is used in a given transaction is structured in a way that adds predictability to the completion of property transactions.

A typical residential purchase involves at least four parties: the buyer's and seller's practitioners (lawyers or conveyancers) and the incoming and outgoing financial institutions. Because the ELNOs do not interoperate, all four must transact on the same platform. There is no agreed, neutral mechanism for choosing which platform that will be. Some jurisdictions allow the ELNO to be elected through the contract of sale, however even where this is the case, the financial institutions are not parties to that contract.

Given their market position, the banks can in practice determine the outcome: if the banks transact only on PEXA and decline to onboard to Sympli, a practitioner who wishes to use Sympli for a transfer transaction simply cannot, because the counterparties will not follow. The independent analysis for ARNECC likewise found that parties with strong preferences are placed in the position of effectively choosing the ELNO for everyone else, or forced into a negotiation that introduces friction into settlement.

This is a competition problem that also carries a financial-safety dimension. A fractured, contested workflow over which platform to use, resolved transaction by transaction and dominated by the party with the most market power, introduces avoidable operational risk into the settlement of payments. Sympli submits that the RBA should use its expanded powers to ensure that no single class of participant can effectively dictate the choice of ELNO for all others, so that practitioners and their clients can exercise genuine choice and competition can take hold. This may include taking such measures as requiring that all banking participants support property transfers on all ELNOs.

6. What Sympli asks the RBA to do

A. Consider whether ELNO arrangements fall within, or should be brought within, the RBA's remit under the expanded PSRA definition of a "payment system".

B. Take, or coordinate, a whole-of-ecosystem regulatory role to allow the interoperability reform to resume, providing the payments system anchor and the certainty on bank participation that ARNECC and the CFR have identified as the missing precondition for success.

C. In the alternative or interim, address the ELNO-selection problem, so that the choice of ELNO in a multi-party transaction cannot be dictated by any single class of participant.

D. Consider complementary regulatory levers where useful, including the Ministerial "special designated payment system" and special-regulator pathway introduced by the December 2025 reforms, and continued coordination with ARNECC, the CFR and Treasury, in answer to the part of Question 19 concerning options beyond the RBA's formal PSRA powers.

Competition, resilience and redundancy in eConveyancing are not narrow industry concerns. Property settlement is a critical component of Australia's financial system, moving hundreds of billions of dollars a year across national payments infrastructure. Ensuring that this market is contestable and resilient is squarely within the objectives this Review is designed to serve. Sympli would welcome the opportunity to discuss this submission with the RBA and to provide any further evidence that would assist.

Yours sincerely,

Rosey Perez
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