

Buying a home in NSW set to get more expensive

Privatisation will lead to Increased Cost and Loss of Confidence in NSW Land Title Laws

Sydney, Australia – 1 November 2016 – As house prices across the state continue to rise and push home ownership out of reach for many, the Baird government is set to make it even tougher by selling off another vital government body, the NSW Lands Title Registry.

The move could see struggling homeowners and first time buyers pay an extra \$900 to move home, buy land or change titles through increased fees from new private operators or, like the United States, because they have to buy Land Title Insurance to cover themselves against Title Fraud.

Under what the Institution of Surveyors NSW Inc describes as a globally recognised first class system, the Registry is governed by the Torrens Principle of Registration, in operation since 1800s, which records the rightful title owner and title boundaries.

The Baird government is planning to sell this vital service off under a 35-year contract for an estimated \$700 million. The large initial windfall will be at the expense of the \$50m a year the NSW Government already receives from land and title search fees and dealings associated with more than 200,000* property and land transactions that take place each year.

Michael Green, President of the Institution of Surveyors NSW Inc, says the Land Registry is a vital, sensitive service that must be kept in public hands.

“Not only would the homeowner have to pay extra insurance of \$900 or more to compensate for the loss of confidence in the government’s guarantee, but surveyors, lawyers and other associated professionals would be forced to pass on additional fees as their costs shoot up as a result of private management,” says Green.

“Currently, the laws are bulwarks of confidence, and the Torrens principle is airtight. But by passing the control of such a sensitive legal area over to a private operator or superfund, could we say that the same level of confidence could be held in their guarantees?”

The move could also open up the State to concerns in regard to foreign investment interest. The UK recently abandoned the privatisation of its own Land Titles Laws due to the recent controversy of foreign tax havens. The Australian government is no different, with the controversy of potentially selling off energy giant AusGrid to overseas investors generating a negative reaction when announced.

Michael Green said the Government proposal to sell such a sensitive infrastructure to pay for a stadium was a poorly conceived idea that was disrespectful to the importance of the Registry.

“Putting a fundamental institution up for sale to simply develop a sporting venue demonstrates how little respect the Government has to the rule of law. Chasing a short term gain at the cost of long stable revenue seems synonymous with the government.”

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*Property and Land Title Transaction Data Sourced from The Office of State Revenue
<http://www.osr.nsw.gov.au/info/statistics>