



19 December 2016

Mr Alister Henskens SC MP  
Member for Ku-ring-gai  
27 Redleaf Avenue  
WAHROONGA NSW 2076

Dear Mr Henskens,

I write as President of the Law Society of NSW and as a member of your electorate, to express my opposition to the privatisation of the Land and Property Information service (LPI).

Our opposition to the sale is not grounded in any vested interest and serves no commercial value to lawyers. Nor do we have any ideological opposition to privatisation. Rather, our roles as lawyers afford us an objective appreciation for the innate value of the LPI as an independent public asset, one that underpins over \$1.2 trillion in real estate and \$130 billion in economic activity every year.

It is not an understatement to say the LPI is the foundation upon which the NSW economy rests. The integrity of LPI and the public's confidence in the registry fortifies those foundations, preserving the wealth of hundreds of thousands of homeowners and investors across the state.

The sale of the LPI presents significant risks, some potentially insurmountable.

The Government has embarked on a process which separated the legislation that enabled the sale from the Concession Deed – the document which will determine the rules of a privatised LPI's operation. From the outset, we are concerned that the separation of the enabling legislation from the 'rules of operation' lacks the transparency necessary for the public to sustain its full confidence in the integrity of the LPI. We have serious concerns about any model that constrains Parliamentary oversight of the operations of the LPI; a concern should be shared by legislators.

The United Kingdom recently abandoned the sale of its Land Registry, shelving the process after significant concerns raised by consumers, legislators, peak bodies and lawyers. Those fundamental concerns included:

- IT security
- Potential compromises in protections against fraud and corruption
- The emergence of conflicts of interest with the registry administrator and the voluminous and vital information would hold
- Establishing a private monopoly

These issues are just as relevant to the LPI sale and deserve the same action by the New South Wales Government – an immediate cessation of the sale process.

I and the Society are also concerned by the lack of any sound economic or social rationales for the privatisation of the LPI.



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Little attention has been given to the fact that the LPI is a revenue positive asset, returning \$60-80 million to the state each year. Reports recently in the Australian Financial Review estimate the sale to exceed \$1.5 billion yet, in light of the magnitude of assets on the register and the economic activity it underpins, this a negligible return.

Often, public assets are sold to private operators to inject capital and to modernise the asset. In this instance, the LPI is already among the world's best land registries and there are few if any efficiencies to be gained by introducing a private operator. It is also perplexing that the government proposes to cap future fee-hikes for LPI services with CPI. It is difficult to see how a private operator can yield higher returns without compromising critical services or persuading the Government to allow more substantial fee increases.

Rather than arguing a sound economic or social rationale for the LPI's sale, the Government has instead promoted its 'asset recycling strategy' and its intent to focus proceeds of the sale into stadium upgrades. While the pride of world-class stadia no doubt has appeal among some voters in NSW, they also have an overriding interest in the security and integrity of their key property assets.

I appreciate that this matter has already been through the Parliament, with I might add, minimal debate and limited public scrutiny. That does discount the merit of abandoning the sale in the interests of the integrity of the LPI and its long term sustainability.

I kindly request a meeting with you to discuss these matters at your earliest convenience.

Yours sincerely

**Gary Ulman**  
President