

# Registrars of Title Conference 2017

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# Background

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## Land Services Commercialisation

- Treasurer announced in the 2016-17 State Budget that the South Australian Government will seek expressions of interest from the private sector to provide a range of transactional land services functions which were provided by the then Land Services.
- The Registrar-General, Valuer-General and Surveyor-General were to remain within Government, and continue to be responsible for the administration of the State's Land Services however the transactional processing and service delivery functions were to be commercialised.
- The Government was clear in their messaging that the commercialisation was to:
  - Reduce future operating costs and drive innovation for customers
  - Promote greater investment in the existing land administration systems and reduce risks
  - Create significant value for the State

# Government's Key Messages

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The SA Government was clear in their commitments to the community, ensuring the following protections would remain:

## 1 Consumer Protections

- Government will remain responsible for the integrity of the Torrens Title System and the indefeasibility of Title
- The Assurance Fund continues to be managed by the State

## 2 Fees and Charges

- Government retains full control over the future setting of regulated fees

## 3 Access to Information and Privacy

- Current level of access to land and valuation information will continue to be available to consumers
- New product opportunities that may be developed by the Service Provider are subject to Government's approval
- Government ensures that all private information is safeguarded through contractual obligations with the Service Provider, for example Commonwealth Privacy Act.

# Tender Process

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The SA Government issued a Request for Expressions of Interest for the Land Services Commercialisation on 9 December 2016

## 1 Expressions of Interest

- Purpose of the EOI was to identify interested parties who may be qualified to participate in the Tender Process
- If qualified, respondents to the EOI would be invited to participate as a Qualified Bidder in the next stage

## 2 Indicative Bid

- Qualified Bidders were given access to an Information Memorandum which contained high level information and metrics
- Qualified Bidders were further shortlisted following their indicative bids

## 3 Binding Bid

- Four bidders were taken through to the Binding Bid Phase where they commence their Due Diligence and received access to:
  - Vendor Due Diligence Reports
  - Q & A forum where each bidder could ask up to 20 questions each day with priority gradients and associated response times
- Binding Bids and Business Plans are submitted to the State's Evaluation Team

## 4 Successful Bidder

- The Successful bidder was a consortium between Macquarie Infrastructure and Real Assets (MIRA) and PSP Investments

# Transaction Structure

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Land Services SA was the new entity established to deliver the transactional functions as part of the Land Services Commercialisation.

## 1 In Scope Functions

- All dealing and plan examination functions, including land titling
- Customer Service and management of the Land Information Systems (SAILIS and EPL)
- Property Valuation Services for the delivery of the annual General Valuation and objection valuations
- The Surveyor-General functions remain out of scope.

## 2 Employees

- Land Services SA's workforce is made up of ongoing LSSA employees and SA Government employees which have been made available to LSSA during the transition period.
- Following an interview, LSSA made ongoing employment offers to identified staff who then in turn had 20 Business Days to accept or decline.

## 3 Transition Period

- A transition period of up to 2 years was established to allow Land Services SA time to establish their own supporting infrastructure and business process.

# Transaction Structure

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## 4 Revenue Model

- All revenue collected by the Service Provider is collected as an agent for the State and remitted to the State
- The Service Provider issues a monthly invoice to the State for their Services
- The State will collect a royalty on any new product designed and sold by Service Provider and any Value-Added Reseller Licence costs.

## 5 Policy Model

- All policy will continue to be driven by the State through the Registrar-General
- The Registrar-General and a small team remain in Government as a pseudo regulator for the Service Provider and are the access point back into Government for LSSA
- New product developments are to be approved by the State