

Bills Committee on Land Titles Bill

**Financial and Staffing Implications
Of Title Registration**

Introduction

This paper outlines for Members' information the possible financial and staffing implications arising from implementing the title registration system set out in the Land Titles Bill.

Capital Expenditure

2. We estimate that about \$9 million in capital expenditure is required to extend the functions of the Land Registry computer systems to handle title registration.

Staffing

3. To support the efficient operation of the title registration system, the Land Registry will need to:

- (a) ensure that applications for first registration and subsequent registration are handled promptly and accurately, while also maintaining the operation of the deeds register; and
- (b) ensure that the indemnity scheme operates effectively.

4. Front line staff will be trained and equipped to receive and carry out basic processing of all documents, irrespective of whether they are applications for registration under the title registration system or deeds lodged for registration under the Land Registration Ordinance. No additional requirement for front-line staff is expected as a result of implementing title registration.

5. Careful scrutiny of applications for first registration under the title registration will be required. We anticipate that more guidance will have to be sought and given on the handling of particular cases than at present under the deeds registration system. This will require a larger legal team than at present. The Land Titles Bill envisages that the Registrar, acting through officers of the department, will take a greater range of decisions than under the present system. Under the present legislation the Land Registry must accept for registration any deed which is presented that affects interests in land. Under the Land Titles Bill the Registrar is given power to reject applications for

registration and to remove obsolete entries. Review and confirmation steps will need to be added to the registration process. These will be carried out by Land Registration Officers rather than by clerical staff.

6. The indemnity fund will require general administration; scrutiny of applications and conduct of claims against other parties whose actions contributed to the need to make payments. Staff in the Land Registration Officer grade will be needed for scrutiny of applications and investigation of claims. Additional legal advice is also expected to be required.

7. To meet the requirements set out in paragraph 5 and 6 it is currently estimated that 18 posts will be needed. These would be offset by an immediate reduction of 5 posts in deeds registration work, giving the net figure of 13 posts and a net cost of \$13 million. However, this possible requirement for posts to carry out functions directly attributable to the Land Titles Bill needs to be put into the context of the Land Registry's strategic change plan – a programme of organizational change, technology upgrading and legislative improvement – and actual workload. The combined effect of these factors has allowed the Land Registry to reduce its establishment from 650 in 1998 to 530 today. The permanent establishment will fall below 500 in 2004. Overall manpower requirements once title registration is implemented will depend on the effectiveness of the new technology being introduced to support registration and on the volume of transactions in the property market at that time.

Funding

8. Both the staff costs and the capital expenditure will be met from the Land Registry Trading Fund, not from the general revenue. The costs incurred in the operation of the indemnity fund will be reimbursed from that fund.