

LandExchange EC News

Electronic Conveyancing

October 2006

Stage 1 of Electronic Conveyancing Pilot starts

Property transactions in Victoria entered a new era on 21 August 2006 when Stage 1 of the Electronic Conveyancing (EC) Pilot began with the first ever electronic lodgement of a discharge of mortgage.

Westpac and ANZ were the first of the pilot group to lodge transactions online.

Other financial institutions including the Bendigo, Commonwealth, Macquarie and National Australia banks, mecu Limited and Suncorp Metway will follow shortly.

The pilot will enable the financial institutions to process mortgages and discharges of mortgage, removing the need for some paper documents to be lodged at Land Registry.

Stage 1 of the pilot will continue in 2007 to enable a thorough analysis of the application and allow familiarisation with new processes.

The Land Exchange Project Team would like to thank everyone who has been involved with the development of electronic conveyancing to date.

We look forward to your continued support and to strengthening relationships with you as the system develops.

When Stage 2 of the EC Pilot starts in 2007, the system will again break new ground by becoming the first e-conveyancing system in the world to include electronic financial settlement.

Impact of pilot on solicitors and conveyancers

Stage 1 of the EC Pilot is not expected to impact on the operations of solicitors or conveyancers.

The only time solicitors or conveyancers will be affected is if they are involved in a dealing for a Volume/Folio where the paper Certificate of Title (pCT) has been converted to an electronic Certificate of Title (eCT) and left that way by one of the financial institutions participating in the pilot.

When processing a transaction (discharge or mortgage) in Stage 1 of the pilot, the financial institution needs to convert the pCT to an eCT. However, the institutions are currently converting the eCTs back to paper after lodgement.

In the unlikely event that a Certificate of Title is in electronic form when a solicitor or conveyancer starts a paper transaction, (possibly because a financial institution is in the process of dealing with it in EC), the folio search will clearly indicate that the title is electronic and give details of the financial institution controlling it.

In these circumstances, when settlement arrangements are made, the financial institution controlling the title should be reminded to produce it in a paper format at the physical settlement.

EC key milestones

March 2006 – August 2006

May: end-to-end testing completed. User acceptance started.

29 June: training for Stage 1 Pilot participants started.

21 August: Stage 1 EC Pilot began.

EC key dates

September 2006 – June 2007

5 October 2006: legal framework consultation began.

Late 2006: planning starts with solicitors and conveyancers for Stage 2 of EC.

March 2007: legal framework consultation complete. Development of Financial Settlement Manager complete.

Second half 2007: Stage 2 EC Pilot begins.

Financial Institutions Operations Group

The key to success for the Electronic Conveyancing (EC) project is stakeholder participation.

Stage 1 of the EC Pilot has been spearheaded by the Financial Institutions Operations Group (FIOG), which has met regularly during the past year.

Key operations personnel from financial institutions and Austraclear (the Financial Settlement Manager developer

and operator) make up the FIOG, which has worked closely and collaboratively with the EC Project Team to enable Stage 1 of the pilot to go ahead.

EC is a good example of government working with business for mutual benefit.

The FIOG will continue to meet regularly with the focus now shifting to preparations for Stage 2 of the EC Pilot.

New General Manager for the Land Exchange



The Land Exchange (LX), now a business unit within the Department of Sustainability and Environment, has a new general manager – James Walker.

James is responsible for running and developing the new LX business and managing stakeholder relationships at an executive level.

He has a wide range of experience in e-business and has worked for the World Bank, IMF, many of Australia's major financial institutions and state lands departments and duty authorities.

James will also assume the role of EC project director, replacing Fiona Delahunt as the head of the EC Project. Fiona will continue to be involved in EC, joining the EC Project Control Board in her capacity as Chief Information Officer for the department.

ANZ acknowledges benefits of EC system

The ANZ and Westpac banks are the first of the financial institutions to take part in Stage 1 of the Electronic Conveyancing (EC) Pilot.

Head of ANZ's Mortgages Documentation and Settlements branch, Allen Gilgen, said staff involved in the pilot found the system intuitive and had experienced no operational issues.

He said staff had also commented on the high standard of support provided by the Land Exchange Implementation Team.

"The time savings associated with using an electronic system for all transactions could be substantial and will

hopefully be realised once a greater volume of transactions is being put through the EC system," Mr Gilgen said.

Allen said the benefits arising from the Victorian EC system would provide an opportunity to totally change the way financial institutions operated. He said streamlining the entire mortgage process could be achieved via EC and that the Victorian pilot was a good first step towards this.

Commenting on the future for EC, Allen noted that the challenge for Stage 2 was to identify processes acceptable to a wide range of disparate stakeholders. He said the continuation of groups such as Financial Institutions Operations Group and the ongoing dedication of the EC Project Team would help achieve this goal.

Electronic conveyancing legal framework

With the commencement of Stage 2 in the second half of 2007, the legal framework for the full EC system will need to be in place. This will include the terms and conditions for the use of EC (the 'EC System Rules'). Consultation on the legal framework commenced with stakeholder groups on 5 October 2006.

The Land Exchange invites public submissions on the draft documents relating to the legal framework. These are now

available through the EC website at www.landexchange.vic.gov.au/ec. Submissions close at noon on 17 November 2006, must be made in writing, and can be emailed to ec@landexchange.vic.gov.au, or posted to the EC Submissions Coordinator, Land Exchange, Department of Sustainability and Environment, PO Box 500, East Melbourne, Victoria 3002.

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