

LandExchange EC News

Electronic Conveyancing

October 2007

Victoria initiates national e-conveyancing trial

Victoria's world-first electronic property title transfer system has been provided to all Australian states and territories for evaluation. The Victorian Government's decision to provide access to its successful application means a nation-wide assessment of the electronic conveyancing (EC) application can commence immediately.

Victoria is the only Australian jurisdiction with an operating EC system, developed over five years and based on extensive industry input. By providing this application for evaluation, Victoria has greatly accelerated the development of EC right across Australia.

Release 2.0 of the Victorian EC system, to be launched on 16 November 2007, allows electronic financial property settlement and land transfer. It builds on the deployment of existing EC functionality covering electronic lodgement of both mortgages and discharge of mortgages.

Introduced in August 2006, *EC Release 1.0* was used successfully by several financial institutions including the four major banks.

Implementation of this new system will help reduce the cost of home ownership in Victoria, saving industry and the community more than \$70 million each year by 2012.

It's also widely accepted by other states and territories that it could provide a sound platform for the development of a truly national system.

An assessment of the Victorian system—conducted earlier this year by the Queensland Department of Natural Resources and Water on behalf of the other jurisdictions—found it could be adapted cost effectively to meet that state's needs (see page two for more details).

Victoria's decision to share this application now means a similar assessment can be carried out by the remaining six states and territories.

While working to develop its own EC system, Victoria has also been participating in efforts to design and implement a National Electronic Conveyancing System (NECS). Without this Victorian initiative, the NECS was not expected to be operating in Australia before 2010 at the earliest.

Victoria is confident the assessment exercise conducted by each jurisdiction will find that—subject to normal customisation to meet specific intra-jurisdictional needs—the EC application can provide a cost effective means of meeting each jurisdiction's EC requirements.

EC Release 2.0 goes live in November

Five years of collaboration between the Victorian Government and business community will soon achieve a world-first with the introduction of full electronic conveyancing (EC) functionality on 16 November 2007.

EC Release 2.0 will enable electronic financial property settlement and lodgement of land transfers and electronic payment of duty to the State Revenue Office. Land Exchange (LX) is working with a number of financial institutions and solicitors and conveyancers so they can begin processing transactions from 16 November 2007.

Members of the LX team were recently invited to brief the Information Brokers and Law Stationers Association (IBLSA) on the EC project.

The LX team will continue to collaborate with the IBLSA and its members over the coming months—along with a range of financial institutions and other parties—to identify the transformational opportunities offered by EC and develop strategies to help maximise EC system adoption.

LX General Manager Jim Walker acknowledged the assistance and positive feedback provided by a number of financial institutions during the development and testing of the software and associated legal framework.

"It's gratifying to see the excellent work of so many people and stakeholders coming to fruition," he said.

Financial Settlement Manager complete

A key milestone for the introduction of *EC Release 2.0* has been achieved with the successful completion of financial settlement testing by the Australian Stock Exchange (ASX).

The ASX built and tested the Financial Settlement Manager (FSM), which will facilitate the financial settlement of

property transactions within the EC system. As a national provider of these services, the ASX is a valuable interface partner of LX. User Acceptance Testing of *EC Release 2.0* is on track for the 16 November 2007 launch date.

EC on show at national convention

In advance of its official launch, *EC Release 2.0* will be on show at the 2007 Australian Credit Union and Mutual Building Society Convention to be held at the Brisbane Convention and Exhibition Centre from 6–10 October 2007.

The 2007 Convention will, for the first time, bring together representatives of all Australian credit unions and mutual building societies.

LX's presence at the convention's exhibition will allow delegates to see *EC Release 2.0* in operation, to ask questions and to gain an insight into the potential benefits of the new system.

Participation in *EC Release 2.0* offers credit unions and building societies the opportunity to be the first to deliver innovative and competitive products to clients in this new domain.

Review supports EC's suitability for other jurisdictions

While working to develop its own electronic conveyancing system, Victoria has also been participating in collaborative efforts to design and implement the National Electronic Conveyancing System (NECS).

On the current timetable, the NECS will not be operating in Australia before 2010.

After more than two years of consultation, the National Electronic Conveyancing Office (NECO) is still working to resolve and agree fundamental matters of governance, funding, architecture and implementation.

An obvious question is whether the EC system developed in Victoria could be used by other jurisdictions as the basis of

a NECS. A recent assessment conducted by the Queensland Department of Natural Resources and Water found the Victorian EC system to be sufficiently flexible to efficiently and effectively meet Queensland's requirements.

In order to accelerate the establishment of a NECS, Victoria has now provided a trial version of its completed EC application to the Australian states and territories so that all of the jurisdictions can conduct their own assessments as to the suitability of the EC application.

This offer was first made by Victoria in December 2006 at the National Electronic Conveyancing Steering Committee meeting attended by all the jurisdictions.

EC key milestones

January–July 2007

9 February Financial Settlement Manager (FSM) build completed
14 May *Release 1.2* deployed
17 May End to end testing commenced
25 June User acceptance testing commenced

EC key dates

July–December 2007

13 August End to end testing completed
16 November Launch of *EC Release 2.0*

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ISSN 1835-0046

Authorised by Department of Sustainability and Environment
Published by the Victorian Government Department of Sustainability and Environment
Melbourne, October 2007

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