

## Progress towards e-conveyancing

By Chris Fabiansson of Gadens Lawyers, Sydney

A new project has been launched designed to streamline conveyancing procedures through the use of an online system. The initiative is called 'PEXA' (Property Exchange Australia) and is projected to be operational nationwide in 2012.

Electronic conveyancing will initially operate alongside the current manual paper-based settlement and lodgement arrangements.

It is not intended that all land title transactions will be completed electronically. It is estimated that between 30-40% of transactions will still be done by paper lodgement. Some transactions, for instance those that involve complex title issues or a number of financiers, will still be settled manually, e.g. a settlement that is conditional on the registration of a plan or easement.

### How will PEXA operate?

The scheme will attempt to convert the conveyancing process into a standardised and user-friendly system, where the following is done electronically:

1. online review and completion of documents by finance institutions and law firms;
2. lodgement of property documents for registration with the relevant Lands Department in each state. This does not include the land title documents themselves, i.e. Certificates of Title would still have to be delivered manually;
3. confirmation from the Lands Department to all parties once the documents are registered; and
4. settlement of all financial transactions on a nominated date including the distribution of settlement funds, fees and taxes.

### How will PEXA benefit companies?

It is expected that the efficiencies of an electronic system will save companies both time and money. The registration of documents should be faster and more accurate; money will be easily transferrable at settlement and parties will have access to a clear and streamlined communication platform. Registration fees will still apply, so the cost savings will be due to shorter periods of time between an agreement and the eventual registration of a new property interest. There may also be a lower risk of fraud and errors as documents move from settlement instantly to lodgement for registration.

### What should companies do now?

Presently no action needs to be taken. It is an ambitious project which may well commence later than currently projected.



Once implemented, the transition to e-conveyancing is unlikely to require significant adjustment on the part of institutions. The scheme's implementation will more affect lenders and solicitors whose processes will need adjustment. Ultimately, it is projected that cost savings will flow through to vendors and purchasers.