



Electronic Conveyancing Update

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Summary:

- Electronic Conveyancing is progressing, slowly and steadily.
- PEXA is rolling out its operations on a region by region basis commencing with Victoria and NSW (refer PEXA timetable below).
- The Council of the Law Society of Tasmania is monitoring progress however the e-conveyancing platform is more than 12 months away from implementation in Tasmania.
- The PEXA platform is subscriber based (free registration, fees-per-transaction model).
- PEXA and related service providers will market their wares and have been invited to present to the legal profession of Tasmania in 2015.

The body which will be operating the Electronic Conveyancing Portal is now called “PEXA”.

The Law Council of Australia Electronic Conveyancing Working Group has been working with PEXA since its creation and before then with the government funded group then advancing Electronic Conveyancing.

The software platform for PEXA is substantially completed.

PEXA is still reviewing the documents that will govern their relationships with users of the system, what they call subscribers.

A subscriber is a user of PEXA whether a bank, lawyer or licenced conveyancer. Persons conducting their own land dealings are not proposed to have access to PEXA except via a subscriber.

PEXA is proposing to begin operations on a region by region basis within a state/territory so they can expand steadily.

The first version of PEXA is only currently live in Victoria, New South Wales,

Queensland and Western Australia for new mortgages, mortgage discharges and refinances. The major banks as well as a number of additional financial institutions **only** are currently using PEXA to perform these transactions.

Full functionality to perform lodgments and financial settlements online has just been launched to select property lawyers and conveyancers in New South Wales and Victoria. The broader New South Wales and Victorian market will be invited to begin transacting on PEXA from February 2015 followed by the remaining states.

Below is a recent PEXA registration and transaction commencement timetable. According to this timetable, Tasmanian participants will be invited to sign up in August 2015 but without any nominated starting time table .

State	PEXA Registration Opens	Begin Transacting From
Victoria (caveats only – for users of the previous ECV platform and early adopters)	May 2014 (now closed)	June 2014
New South Wales (pre-selected early adopters and practitioners in Wollongong)	October 2014	November 2014
Victoria (pre-selected early adopters and practitioners in Bendigo & Geelong)	October 2014	December 2014
New South Wales (all Property Lawyers and Conveyancers)	November 2014	February 2015
Victoria (all Property Lawyers and Conveyancers)	November 2014	February 2015
Queensland (all Property Lawyers and Conveyancers)	February 2015	May 2015
Western Australia (all Property Lawyers and Conveyancers)	February 2015	May 2015
South Australia	June 2015	TBA
Tasmania	August 2015	TBA
Northern Territory	October 2015	TBA

PEXA will run a range of events over the next 12 months in support of each launch. The Law Society's second e-conveyancing update for the Tasmanian legal profession (PEXA demonstrations, 'preparing your practice', 'VOI explored' and Panel sessions) will take place on 20 March 2015 at the Property & Commercial Law Conference.

PEXA also provides online webinars ranging from general information and full functionality overviews to webinar on more specific areas for more advanced states such as 'PEXA Transfers and Caveat Processing'.
http://www.pexa.com.au/pexa_events/

The focus of the Law Council Working Group has been on where liability will fall. The objective of the Law Council Working Group has been to try to avoid the transfer of settlements online also transferring liabilities in a structural way to practitioners. Liability for misplaced funds, business interruptions, lost transactions and identity fraud have been subject to review.

Although not a shareholder in PEXA like NSW, VIC and QLD, Tasmania is participating in ARNECC, the national coordinating body of Recorders of Title who exercise governments in relation to electronic conveyancing under the National Conveyancing Law.

The Law Societies of NSW and VIC have concluded that electronic conveyancing will call for changes to their standard Contract for Sale of Real Estate. The current draft of those changes will add a page and a half to their respective contracts! The parties contract to regulate use of PEXA will be subject to parties possibly needing to settle in the paper environment, perhaps even after starting in PEXA. We have plenty of time in Tasmania before we will need to resolve the response in the contract. I am not inclined to include any assessment of the PEXA impact as part of the contract review currently being conducted by the Property & Commercial Law Committee of the Law Society of Tasmania.

The PEXA **charges** are now public at <https://www.pexa.com.au/pricing-schedule> (excerpt provided below). The business model is premised on no fee to join PEXA as a subscriber nor any regular subscription fee. PEXA will be funded by fees per transaction which will be the same nation wide and the same regardless of the subscriber or the volume of transactions of the subscriber.

There will be a fee payable by each participant in the transaction so PEXA will get a fee from both vendor/purchaser, incoming bank and outgoing bank for instance.

The assurances and expectations in the early days of electronic conveyancing were always that the fee levels would be set at less than the cost savings for subscribers to settle their transaction on line as opposed to traditional meetings. As a nationwide fee, the cost now revealed is at the high end of what the Tasmanian market is likely to bear.

PEXA is proposing to authorise subscriber agents to verify identity as an alternative to subscribers being the sole identity verifiers.

Tim Tierney

www.pexa.com.au/pricing-schedule (webpage excerpt):

PEXA:	So that:
<ul style="list-style-type: none"> • Allows you to arrange and complete lodgement and financial settlement online • Automatically retrieves title data from the Land Registry to pre-populate PEXA instruments • Allows the settlement time to be booked online • Checks and verifies all information submitted in a lodgement case • Automatically alerts parties to any activity on title prior to settlement • Automatically lodges instruments with the relevant Land Registry • Facilitates the electronic payment of settlement funds and third party disbursements such as Stamp Duty 	<ul style="list-style-type: none"> • There is no need to physically attend a settlement room • There is no wasted time re-keying information • You no longer spend time on-hold when calling banks to arrange settlement • Settlement will not be delayed by errors or requisitions • You have greater certainty that settlement will occur without incident • The time between lodgement and registration is reduced to minutes • Funds are transferred and cleared more quickly without the need for bank cheques

Current pricing for PEXA Transactions can be found in section 7.1 of the PEXA Service Charter. The pricing table below shows the pricing for the upcoming full functionality release (known as PEXA Release 2)

PEXA Transaction Service Fees:	Price (ex GST)	
	Single Title	Multiple Titles
Caveat	\$13.00	\$23.00
Withdrawal of Caveat	\$13.00	\$23.00
Mortgage	\$35.00	\$48.00
Discharge Mortgage	\$17.00	\$27.00
Settlement Notice	\$16.00	\$27.00
Withdrawal of Settlement Notice	\$16.00	\$27.00

PEXA Transaction Service Fees:	Price (ex GST)	
Mortgage with Financial Settlement	\$47.00	\$60.00
Discharge Mortgage with Financial Settlement	\$35.00	\$44.00
Transfer Title	\$95.00	\$108.00
Nomination	\$0.00	\$0.00
Withdrawal of Nomination	\$0.00	\$0.00
Consent	\$0.00	\$0.00
Form 24, Form 25	\$0.00	\$0.00
Notice of Acquisition	\$0.00	\$0.00
Notice of Sale	\$0.00	\$0.00
Title Information Re-Supply		\$5.00

An example of pricing in action:

ROLE

I am a Property Lawyer representing the Incoming Proprietor

DOCUMENT

I know that I am creating a transfer document. (I am using the Transfer Title PEXA Transaction)

NUMBER OF TITLES

I only have one title on the transfer document. (I am using the Transfer Title Single Title PEXA Transaction)

There are 3 other parties in this workspace. They will pay their own transaction fees. I don't need to pay PEXA fees for the mortgage.

WHAT I PAY

\$95 (this can be passed on as a disbursement in all States (currently under consideration in WA))

WHAT DOES THE PEXA FEE INCLUDE?

The PEXA fee covers:

- Document creation
- Lodgement support services
 - Pre-population of registry data
 - Lodgement verification
 - Title activity check
- Digital signature security
- Document lodgement

- Stamp duty verification
- Electronic settlement booking
- Financial settlement
- Electronic third party disbursement