



## Triple Bottom Line (TBL) Assessment Summary

*The Triple Bottom Line Assessment is required to be published in accordance with Part 4, section 23 (1)(b) of the Freedom of Information Act 2016*

### 19/430 Introduction of E-Conveyancing and paperless titles for Land Dealings in the ACT

#### Summary of Impacts

The Bills implement regulatory reforms to allow Canberrans to receive the benefit of best practice land titling processes and to increase protections against fraudulent dealings.

Further, it will introduce greater competition in how conveyancing settlement and lodgment services are provided in the ACT, with legal practitioners and mortgagees having the choice of whether to undertake a conveyance in person or electronically.

Presently, transfers of land ownership in the ACT require practitioners, their agents and self-represented individuals to meet face to face, complete the transfer using paper documents and lodge all dealings in person with the ACT Land Titles Office.

This situation arises as, historically, the right to deal with a parcel of land has been demonstrated through the possession of a piece of paper, the certificate of title and the physical exchange of that document between the parties to a transaction.

Both in-person settlements through paperless titles and E-Conveyancing remove the need for a physical transfer of the paper certificate and replace it with measures to verify a person's identity and authority to undertake the transaction before the government registers those changes.

In doing so, both provide benefits to the community through the introduction of better safeguards against fraudulent property dealings than the current paper-based process. This will help guard against financial abuse, for example against the elderly, with sellers unable to transact without verification of their authority to deal.

#### E-Conveyancing

E-Conveyancing is expected to deliver efficiencies to business including a reduction in visits to the Land Titles Office, reduce the amount of time between settlement and registration and slightly reduce the time taken across the breadth of a transaction. There are also positive environmental impacts through a reduction in paper usage and the reduction in travel for face to face transactions to complete a conveyance.

E-Conveyancing will not be mandatory in the ACT, and will initially only be available for the top 3 lodgment types in the current system;

- discharge of mortgage,

- putting on a mortgage, and
- transferring a property interest.

These transactions amount to 62% of the 60,000 or so lodgments with the Land Titles Office each year. There are around 80 different transaction types outside these where the nature of the transaction is not available to E-Conveyancing.

E-Conveyancing is also likely to result in parties to a transaction receiving funds within a day of settlement via electronic transfer, rather than in days as can occur with paper cheques.

#### Paperless titles

It will be possible to undertake a conveyance in person without handing over the paper certificate of title, as is presently required, while having the benefit of stronger fraud prevention mechanisms.

The amendments retain the central feature of the ACT land titling process, where entries on the ACT Land Titles Register kept by the Registrar-General under the Land Titles Act are conclusive evidence of the interests held in land under that Act, who holds those interests and that the person registered for each interest is entitled to that interest.

The amendments introduce a consistent approach to provisions governing a person's capacity to create or alter an interest on the ACT Land Titles Register. The new framework is based on the Registrar-General being prohibited from creating or altering an interest on the register of land without verification of the person's identity and authority to undertake such a transaction. In doing so, it strengthens protections against fraud.

#### Level of impact

| Level of impact | Positive | Negative | Neutral |
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| <b>Access to Services</b> | <u>E-Conveyancing</u> <ul style="list-style-type: none"> <li>E-Conveyancing will increase access to ACT Government land titles services. The provision of a digital channel to undertake land dealings means that parties can access these services remotely, removing the need to lodge dealings over the counter.</li> </ul> <u>Paperless Titles</u> <ul style="list-style-type: none"> <li>Practitioners, their agents and consumers will continue to be able to lodge property dealings face to face at the ACT Land Titles Office.</li> <li>There are factors which may influence the take up of electronic conveyancing, including the need to invest in new skills for a new electronic platform and where commercial relationships are already in place to settle and lodge transactions securely.</li> </ul> |
| <b>Justice and Crime</b>  | <u>E-Conveyancing and Paperless titles</u> <ul style="list-style-type: none"> <li>Both E-Conveyancing and paperless titles will provide a more robust framework for the verification of identity and verification of authority of the parties to a land transaction.</li> <li>While the requirement for verification of identity and verification of authority may be harder to satisfy for some sectors of the community than others, it will help to</li> </ul>   |

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|  | protect all parties from fraudulent behaviour including more vulnerable parties such as the elderly. |
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## Social

## Economic

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| <b>Small Business</b>              | <u>E-Conveyancing and Paperless titles</u> <ul style="list-style-type: none"> <li>E-Conveyancing is likely to bring about benefits for lawyers and clients, however, there is a risk that the introduction of competition for settlement and lodging services will impact upon settlement agents who currently provide these services in person for lawyers and banks.</li> <li>In-person settlements and the use of small businesses to assist in settlements is nonetheless likely to remain a feature of the small business landscape in the ACT where practitioners have the choice of whether to use E-Conveyancing or in-person settlements.</li> <li>Legal practitioners in other jurisdictions generally have not moved in large numbers to E-Conveyancing unless it was mandated. For example, South Australia and Queensland, who do not mandate the use of E-Conveyancing for transfers, have less than 10 per cent of transfers occurring electronically.</li> </ul> |
| <b>Productivity and Innovation</b> | <u>E-Conveyancing and Paperless Titles</u> <ul style="list-style-type: none"> <li>Streamlining the conveyancing process opens opportunities for productivity gains and innovation within industry with the ability to rework business processes to suit a paperless, electronic interface.</li> <li>For the ACT Government, a reduction in manual data entry and processing may allow Land Titles staff to move to 'value adding' functions such as compliance, industry relations and system enhancements.</li> <li>The introduction of verification of identity requirements for both E-Conveyancing and paperless titles is likely to see innovative business models being offered, such that consumers can have their identity verified at home.</li> </ul>  |
| <b>Competition</b>                 | <u>E-Conveyancing and Paperless Titles</u> <ul style="list-style-type: none"> <li>At present, there are two Electronic Lodgement Network Operators in Australia: Property Exchange Australia (known as PEXA), which offers a full range of services in each of the jurisdictions where the electronic conveyancing national law is in force; and Sympli Australia, which has undertaken limited transactions to date in certain jurisdictions. The number of Network Operators offering services may increase in coming years.</li> </ul>  |

## Environmental

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| <b>Natural Resources and Greenhouse Gas Emissions</b> | <u>E-Conveyancing</u> <ul style="list-style-type: none"> <li>E-Conveyancing will reduce paper usage and remove the need to travel to complete conveyancing transactions.</li> <li>This will have a positive impact on the environment both in terms of lessening the consumption of natural resources (including wood and water for paper production) as well as a reduction in greenhouse gas emissions.</li> </ul> <u>Paperless Titles</u> <ul style="list-style-type: none"> <li>In person settlements will, in many circumstances, involve greenhouse gas emissions due to travelling to the Land Titles Office.</li> </ul> |
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