

ELECTRONIC CONVEYANCING BILL 2013

Third Reading

Resumed from 11 March.

MR C.J. TALLENTIRE (Gosnells) [5.07 pm]: The Electronic Conveyancing Bill 2013 has been well discussed by members of this place and the other place. We have had interesting discussions around the scale of electronic conveyancing of property in Western Australia. It has been stated that in Western Australia some \$43 billion worth of property was transacted through the conveyancing process in the last financial year. We can look forward to that amount at least being transacted in coming years. Bearing in mind that this electronic conveyancing system is a national system, we are creating an electronic platform for the transfer annually of some \$430 billion worth of property. It is an enormous undertaking to ensure that the electronic platform can handle that amount of activity. On a national scale it will involve about a million property transactions. As was said during the second reading debate, the state of Western Australia is a shareholder in this electronic platform company known as National e-Conveyancing Development Limited company, which comes under this system known as PEXA. Western Australia's shareholding is 15.9 per cent. The value of our shareholding, as I understand it, is \$22.5 million. In other words, that means, if I have my arithmetic right, the value of PEXA is some \$140 million. I find it fascinating that public ownership has been critical to the creation of this body. It is principally state-owned; the four major financial institutions have come in as shareholders, but they were not originally. A lesson for this Parliament is that public ownership of key assets is vital to their success. I know some on the other side do not believe in state ownership of assets. They do not believe in public ownership of important assets. This electronic platform has been developed at the fairly modest sum, we might say, relative to the sums it will handle, of \$140 million and it will handle transactions nationally worth \$430 billion. There is an enormous amount of conveyancing activity involving a million transactions a year across the nation. That has been driven by public investment. The private sector would not have been able to do it. We cannot always rely on the private sector to bring about the sort of structure and capability that we need with this platform.

We often talk in this place about how expensive information and communications technology is for government and how often government gets ICT wrong. I contrast this investment with the ICT work that has been done for, say, Fiona Stanley Hospital. It is fascinating to make that comparison because it is my understanding that we have ICT works there that are valued at somewhere around \$600 million. This is for Fiona Stanley Hospital—ICT works there over the lifetime of that project, to be done by the private sector, costing in excess of \$600 million. Contrast that with the \$140 million required to manage all the transfers that will be done through this electronic conveyancing system across the nation—a million transactions a year, worth approximately \$430 billion. I find it fascinating that we have seen in this case a very good application of public funds to achieve a good result.

The opposition supports this legislation; it is legislation that will make life much easier and make for much greater efficiencies for settlement agents, lawyers involved in property settlements and financial institutions. It was brought up by the minister in his response to the second reading debate that the savings would come about because things could be done electronically. I do not know that he quite got to the point that it saves them having to give up time going to a Landgate office, in the case of Western Australia. That is where their real saving would be. I hope and trust that that saving will be passed on to consumers. The minister indicated that because we are in a market system, we can hope that that saving will be passed on. I hope that is the case, but I think it remains to be seen.

This debate has been useful, and the discussion and the work of the committee in the other place covered many aspects of the detail and found it all to be as satisfactory as we have. Western Australians and, indeed, Australians generally, can look forward to being able to transact properties more efficiently and hopefully more cheaply into the future, and that is something that is critical to underpinning community confidence in our management of the sale of properties, ensuring that we retain those strengths that are inherent in our Torrens title system, without opening ourselves up to any fraudulent attempts at property negotiations or transactions. Hopefully with this legislation we have seen some further tightening up of the system. The minister pointed out that the system was vulnerable in certain areas and that we have inserted provisions—clause 77, I believe—that should go some way towards tightening things up. I maintain that that clause could have been made even tighter, and only time will tell if it is going to be tight enough. If we hear of further fraud going on in relation to property transactions, then we will know that we have not done our due diligence, but I trust that the wording is enough. I believe that the wording is actually particular to Western Australia; I am not sure if it is the same wording that has been used in other state acts to tighten up that particular area of fraud, but that is something that maybe even at this final third reading stage the minister might be able to address. There is consistency here because it is part

of a national intergovernmental agreement, but I am not sure that the inclusion of the word “may” in clause 77 is the same in other states.

We look forward to seeing Western Australians transact property electronically, recognising that for those who wish to stay with the current paper-based system, that is also an option. The duality of the system will be useful for many people. I support the legislation and look forward to its enactment.

MR D.T. REDMAN (Warren–Blackwood — Minister for Lands) [5.14 pm] — in reply: I thank the member for Gosnells for his contribution to the third reading debate. I will very quickly hit on a couple of points; it will not take long, I am sure. I thank all members who have made a contribution to this debate. This is essentially making contemporary legislation under a national partnership to ensure that we can fit into a system whereby we can take what is essentially one of the last bastions of paper warfare out of the game and move to electronic conveyancing. The member for Gosnells mentioned that he hoped that the efficiencies that will come out of this will come back to the user. An interesting point around that is that PEXA, which is the platform on which the electronic conveyancing will take place, has a commercial imperative to achieve that because if it does not, people will simply use the old paper-based system, so I think there is a commercial imperative for it to make sure it has efficiencies that are taken right back to the user. Indeed, because all the authorised users will be party to transactions, for them to get the job they are going to need to be efficient, and any efficiencies that they gain will be passed onto the customer, so there is competition in the marketplace.

The reason we as a state bought into the platform was market failure, simple as that. Now that we have done that, I think there may be a case down the track—the member might not agree—for us to exit it if it can stand on its own two feet. It may well be a good investment for the state, so there is another decision to be made down the track. It is contemporary and it is very robust around the fraud issue, and that is a very sensitive area for the community and it is very important to me and to the government that we have robust processes around the challenges of fraud. It will not only provide cost savings but also speed up the processes that we know right now are a bunch of people going to one place and handing over documents, which is a very inefficient way of managing transactions. With the passing of this bill, Western Australia will be party to what is already happening in the eastern states and have electronic conveyancing processes in place.

I thank members for their support of this legislation; it is a very, very robust bill, given that it went through an upper house committee without any concerns, and I look forward to it getting royal assent and therefore allowing Western Australians to be party to its outcomes.

Question put and passed.

Bill read a third time and passed.