

National system for property deals

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Home buyers will save an estimated \$250 million a year under a national electronic conveyancing system the Rudd Government and state premiers have agreed to. On the eve of the next meeting of the Council of Australian Governments, Prime Minister Kevin Rudd and Finance Minister Lindsay Tanner announced what they branded "a significant and beneficial step towards creating a seamless national economy". "Industry groups estimate a national electronic conveyancing system could reduce the costs of buying and selling property by \$250million a year," they said in a statement. The president of the Real Estate Institute of the ACT, Michael Wells- more, welcomed the move, but said the security and legality of transactions must remain paramount."Conceptually the idea is good, but it then needs to be able to be implemented," he said. Contracts had to be properly executed and recorded, transfers thoroughly documented and mortgage discharges and registrations legally sound.

The new system is to be up and running by March 2010, only months before the next federal election,

allowing Government MPs to sell the benefits of reduced legal and conveyancing fees and transaction costs such as bank cheques. "I think it can be helpful," Mr Wellsmore said, while also expressing some reservations about the size of the projected savings, noting that it would probably be in the order of hundreds of dollars for most home buyers.

However, the stamp duty burden remained in the thousands, and he urged COAG to complete the long-promised removal of various state taxes and charges in exchange for the rivers of revenue that flowed from the introduction of the GST. "They never quite seem to have made it," he said. "We would get far more excited if COAG discussed the removal of stamp duty."

The electronic conveyancing system is to come into effect in seven stages: Agreement to form a legal entity for the new e-conveyancing system (July 2008). Signing a governance agreement for the new entity (October 2008). Agreeing funding (October 2008). Establishing the new e-conveyancing entity and appointing its board (December 2008). Agreeing nationally uniform business processes (March 2009). Making any necessary legislative changes across jurisdictions (December 2009). System begins (March 2010). Under the current set-up, every state and territory has its own conveyancing system with different process and procedures, which the Federal Government said was "based on an antiquated system of paper shuffling". "This national system will mean that, whether they buy a house in Darwin or Dubbo, Bundaberg or Ballarat, consumers will use the same online system to lodge and exchange all the documents, certificates and contracts needed to buy their new house," the ministers' statement said. The development and implementation of the electronic conveyancing system will be overseen by the COAG Business Regulation and Competition Working Group.

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