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**From:** Justin Schmitt <[REDACTED]@pexa.com.au>  
**Sent:** Tuesday, 10 July 2018 4:22 PM  
**To:** EPC  
**Cc:** [REDACTED]  
**Subject:** RE: Inquiry into proposed long-term lease of the land titles and registry functions of Land Use Victoria - Transcript for review

Thank you for the opportunity to clarify a couple of those items from the transcript.

In relation to the item that outlined the payment issue that occurred – please note the following

1. The original payment was for approx. \$250,000
2. At the time of providing evidence all except approx. \$110,000 had been recovered
3. Since the time of the hearing all except \$approx. \$48,000 was recovered
4. As reported in the media, PEXA has made a gift of the balance outstanding as an act of good faith to allow the subsequent settlement to proceed
5. PEXA has announced that it will be providing a Residential Seller Guarantee – with details to follow shortly

We also provided the KPMG and Deloitte reports to supplement the evidence provided regarding the cost/benefit issues that were raised as part of the examination. We thought that was the best way for the committee to see that the cost to the consumer should reduce once the dual processing burden ceases. This is why industry went to the Registrar to seek a transition to 100% digital timetable to ensure that the efficiencies can be obtained and the consumer gets a better service at a reduced price.

We also thought it was worth clarifying the issue regarding those consumer who seek to complete “self conveyancing”. We confirm that consumers do not use the PEXA System. Therefore they cannot complete transactions through PEXA for themselves. Eligibility to access the PEXA System is governed by the Model Participation Rules (MPR) set by the Registrar. Essentially those parties that are licensed (lawyers, conveyancers and ADIs) or those with the appropriate good character and insurance requirements (developers who conduct their own conveyancing for example). The MPR sets out the minimum insurance requirements for those who are Subscribers to the ELNO services. “Mum and dad” consumers do not meet that criteria (unless they obtain the insurance and meet the good character criteria). It will be a matter for the Registrar to determine whether it will be possible for those people wishing to conduct their own conveyancing to continue to do so in paper. Further considerations to that policy issue may arise, it may get to the point where like share trading where you need to use a broker, property may also require a professional to conduct the transaction on your behalf. Ultimately though this is a question for the Registrar.

We’d be happy to meet with members of the committee (or any members of parliament) in relation to these matters or others related to electronic conveyancing or privatisation of the registry as required.

Regards,

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