



19<sup>th</sup> January 2017

Email: [antimoneylaundering@ag.gov.au](mailto:antimoneylaundering@ag.gov.au)

Att: Financial Crime Section  
Attorney-General's Department  
3-5 National Circuit  
**BARTON A.C.T. 2600**

Dear Sir,

**Re: Consultation Paper – Develop a Model for Regulation under the Anti Money Laundering and Terrorism Financing Regime**

Thankyou for the opportunity of commenting on the Consultation Paper received on 25<sup>th</sup> November 2016.

The Australian Institute of Conveyancers (Victorian Division) (AICVic) is the peak body representing Licensed Conveyancers in Victoria. We also co-manage the Master Policy of Professional Indemnity Insurance for all Licensed Conveyancers.

AICVic is a Division of the Australian Institute of Conveyancers, a body made up of other Divisions in N.S.W., Western Australia, South Australia, Tasmania and Northern Territory. Queensland and A.C.T. do not permit Licensed Conveyancers to operate and are therefore not part of the National body.

Each Division is a Member organisation made up of predominantly Licensed Conveyancers running their own businesses and regulated in their relevant jurisdictions.

In Victoria the Regulator of Licensed Conveyancers (and Licensed Real Estate Agents) is Consumer Affairs Victoria. Licensed Conveyancers are specifically regulated by the Conveyancers Act 2006 (currently undergoing a major review) and the Conveyancers (Professional Conduct & Trust Account and General) Regulations 2008. Under this legislation Licensed Conveyancers are permitted to undertake a wide range of legal work involved in a Conveyancing transaction and compete in the marketplace alongside Solicitors. AICVic estimates that about 500 Licensed Conveyancers in Victoria undertake approximately 45-50% of all Conveyancing transactions, with Solicitors undertaking the remaining share.

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Both Licensed Conveyancers and Solicitors also operate under numerous other pieces of legislation regulating the Conveyancing industry. In addition, Land Use Victoria (the Titles Office) and the State Revenue Office (payment of Stamp Duty and Land Tax) impose strict requirements on the profession with checks and balances and auditing to ensure compliance.

You will be aware that the industry as a whole is moving toward an electronic settlement environment. This is another highly regulated area overseen by the Australian Registrars National Electronic Conveyancing Council (ARNECC). Currently there is only one Electronic Lodgment Network (ELNO) and that is PEXA (Property Exchange Australia).

To clarify, in PEXA the conveyancing process in Victoria remains the same as it has done for many years (albeit with a more digital focus), from the initial sale up to the settlement stage but if the Conveyancer opts to go through PEXA, then the settlement, financial settlement, stamping and registration of documents will take place electronically. Again, this area is highly regulated by PEXA under the direction of ARNECC.

Since 2015 Land Use Victoria has gradually introduced legislative changes to minimise the risk of fraud. Verification of Identity (VOI) is required to be carried out by all clients of Conveyancers and Solicitors. This is not only required in the PEXA space but, since November 2016, has applied to all paper transactions.

Recently Land Use Victoria announced that by July 2019 ALL Conveyancing transactions will be carried out electronically.

State Revenue Office imposes strict guidelines on Conveyancers and Solicitors with respect to stamping of documents which means that they are obliged to provide an ever expanding set of data (some imposed by the Federal Government) before the stamping process can be completed.

These changes to legislation and practices under which Licensed Conveyancers operate have increased the workload and the cost of running a business. In Victoria the majority of Conveyancing businesses consist of 1-3 operators with a small amount of staff. Practitioners have had to absorb many of the costs involved with the changes that have already been introduced, despite the digitisation of offices. These costs involve the purchase of new equipment, upgrading of software, training of staff, etc. In addition, the net current fee for a Conveyancing transaction is in the vicinity of \$700 to \$900 and is controlled by a very competitive market.

AICVic is certainly in favour of combating money laundering and the financing of terrorism. However, it would be difficult to justify imposing an increased workload and cost on these small businesses when they are already highly regulated and monitored by the Victorian Government.

AICVic is more than willing to be involved in any further discussions in relation to these matters.

Yours faithfully,

**Jill Ludwell**  
**Chief Executive Officer**