

Customer Information Bulletin

BULLETIN No. 176
26 FEBRUARY 2007

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STOPPED DOCUMENTS – INTRODUCTION OF “PILOT” TELEPHONE REQUISITION SERVICE

1. INTRODUCTION OF “PILOT” TELEPHONE REQUISITION SERVICE

Landgate will introduce a “pilot” scheme of 3 months duration, commencing Tuesday 6 March 2007, to contact customers by telephone or email to rectify requisition errors that are capable of remedy via phone. Based on statistics below, the successful introduction of this “pilot” has the potential to decrease by 37%, the number of formal requisition notices issued to customers.

2. BACKGROUND

As part of the land registration process Landgate Registration Officers check land transaction documents lodged under the Transfer of Land Act 1893 for legal correctness. Currently 11.2% (Nov 2006) of these documents contain errors or omissions that render the document incapable of registration. When a registration officer detects an error or omission a stopped document requisition notice is issued to the lodging party, preparing party and to any other party named on the document.

The requisition notice sets out the error or omission and gives notice to the parties that any errors or omissions must be corrected within a 14 day period. A requisition fee of \$62 is also charged. That fee can be discounted to \$41.00 if paid within 24 hours of receipt of a Requisition Notice.

Recently, the Customer Service Council raised the issue of the cost of requisition fees to the conveyancing industry. Further, the issue was raised at the Australasian Registrar’s Conference held in Perth. Customer delegates to the Conference commented that, in the context of the existing property boom, staff in customers organisations are under significant pressure to ensure that registration is obtained as soon as possible and that written requisitions slowed that process down.

3. PAST PRACTICE

Past practice permitted Registration Officers to phone lodging parties to rectify minor errors, without the issuing of a Requisition Notice. This practice was discontinued as error rates increased and more and more of Registration Officers’ time was being spent rectifying simple errors that practitioners should have resolved before lodgment. Contacting persons within organisations that were prepared to resolve the issues was also proving to be time consuming with Registration Officers frequently waiting on the phone for extended periods of time in the pursuit of the right person to assist with the requisition.

Due to the continued lodgment of documents containing errors and the time taken to rectify errors on the phone, Registration Officers were instructed to requisition all documents containing errors, no matter how simple. The rationale was to encourage conveyancers to prepare documents using best practice, including the conveyancers own internal quality assurance systems, thus reducing the number of stopped documents and enabling Registration Officers to register documents faster.

4. CURRENT PRACTICE

All errors of omissions are requisitioned and a fee, as detailed above, is charged when necessary. A differential fee applies for documents fixed quickly (i.e. by close of next business day following the issue of a requisition).

5. ISSUES ARISING IN RE-INTRODUCING TELEPHONE REQUISITIONS SERVICE

5.1. Error Rates

Past practice has permitted Registration Officers to phone lodging parties to rectify minor errors, without the issuing of a requisition notice. This benefited the conveyancing industry by reducing the potential cost of requisition fees, and associated industry time/costs. The practice was discontinued due to reasons discussed above.

Landgate is keen to see a drop in the error rate from 11.2% (November 2006) and will be monitoring this closely. The error rate will be a key consideration in extending this initiative from a "pilot" to an ongoing business practice.

5.2. Consistency Of Application

For the "pilot" to succeed it will be necessary to apply it transparently and consistently across all parties involved. There is a risk in the phone environment that the requisitions will not be applied consistently as there are fewer checks on what can be said over the phone that in writing in a requisition as there is a trail in the written document.

5.3. Direct Contact Details

Contacting conveyancing firms, especially bank and finance institutions, as they operate call centres, is very time consuming. Contacting the person handling the matter, especially where there are inadequate references on documents identifying the person responsible for the document is a significant impediment to the success of this "pilot". The use of call centres as the first point of contact needs to be discouraged as lengthy time delays occur in resolving the initial problem.

6. PROPOSAL FOR INTRODUCTION OF "PILOT" TELEPHONE REQUISITION SERVICE

It is proposed that Landgate introduces a "pilot" scheme of 3 months duration, commencing on Tuesday 6 March 2007. During the "pilot" Registration Officers will be contacting customers by telephone or email to rectify requisition errors that are capable of remedy via phone, requiring a reply fax from the lodging or preparing parties by 4.30pm on the next working day.

6.1. Determining Error Types For Inclusion/Exclusion

Landgate's Stopped Document System (SDS) database is the current application for issuing requisition notices. Currently there are 311 error types contained within SDS.



During November 2006, there were a total of 3963 errors recorded against 35523 documents lodged for registration; 3502 of these errors were recorded against the top "100" error types.

For the purposes of developing this "pilot", the top "100" error types have been allocated to 3 categories by experienced Supervisors/Assistant Registrars of Titles, based on their experience in dealing with industry in resolving these errors.

- Category 1 - The intention is to include all of the top "100" Category 1 error types in the "pilot" (Nov 2006 - 1457 errors or 37% of total 3963 errors).
- Category 2 - experience tells us that these are such that generally they are unlikely to be rectified in the timeframe and hence have not been included at this stage (Nov 2006 - 769 or 19% of total errors).
- Category 3- require more significant work/timeframes to resolve (Nov 2006 - 1276 errors or 32% of total errors).

(Note: the remaining 12% of errors were recorded against the uncategorized 211 error types).

Ranking Nov 2006	Category 1 Error Type Included in "Pilot" (straightforward error likely to be rectified in timeframe)	Total for Nov 2006
1	Insufficient registration fee paid	214
2	Transferee / Mortgagor's address differs	207
4	Show names and designations	134
5	Encumbrances not shown	125
7	Document requires dating.	124
10	Mortgage encumbers	88
13	Address in document and title differs	73
15	Occupation required	65
16	Address required	65
19	Tenancy to be shown	56
21	Production fee to be paid	49
22	Transferee's address for service	46
25	Show proprietor's address	40
26	Clarify tenancy.	39
31	Address & occupation required	36
33	Restrictive covenant encumbers	33
41	ACN to be shown	26
50	Mortgagor's address for service	18
81	Declarant must give occupation	10
91	Transferor's designation required.	9

3.1. Guidelines for Participation in the "Pilot"

The "pilot" will be subject to the following;

- Customers wishing to participate in the "pilot" can automatically do so by completing the customer contact person's name and contact details on face of document lodged. This can be readily done by including the contact name and e-mail address under the "Lodged by" or "Prepared by" section (in addition to the firm's name) and direct phone contact in space already provided.
- The contact method may be telephone and/or email only with details of the contact person and direct phone number or e-mail shown on documents. Call centre contacts are not to be included in the "pilot" scheme.
- Only one person can be nominated as the contact person.
- Where the contact details are not completed as above, the assumption will be that the lodging party is not participating in the "pilot", and Landgate will issue a formal requisition notice and requisition fee will be charged.
- As the intention of the "pilot" is to quickly resolve registration errors, where contact details are provided as above, the Registration Officer will always attempt phone contact first.
- If the contact person is not immediately available, the Registration Officer will (if an e-mail address is provided) e-mail the contact person using a standard e-mail template. The email will include the document number and return telephone contact details of the registration officer (no other details of the document or requisition will be included in the e-mail).
- Facsimile contact by Registration Officers to the lodging/preparing parties will only be used where a requisition fee applies.
- Only Category 1 errors, as detailed above, may be rectified by phone calls/e-mail. This initial list of phone/email errors will be monitored by Landgate and may be further refined during the "pilot".
- Errors must be corrected by 4.30pm on the next working day (after the initial contact) otherwise a standard requisition with standard \$62 fee will automatically be issued.
- Conveyancers will be notified of the "pilot" scheme, and any changes to it by distribution of Landgate's Customer Information Bulletin and by notices placed on Landgate applications website (www.landgate.com.au)

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26 February 2007

