



CASE STUDY

## **LAND VICTORIA, DIVISION OF THE VICTORIA STATE GOVERNMENT**

STATE OF VICTORIA PROCESSES WORLD'S  
FIRST ELECTRONIC LAND SETTLEMENT  
TRANSACTION USING AN ELECTRONIC  
CONVEYANCING APPLICATION PROTECTED  
BY VERISIGN DIGITAL CERTIFICATES





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Located towards the southern tip of the Australian east coast, Victoria is Australia's smallest geographical mainland state, roughly the size of the British Isles, but with over five million citizens, it is the country's second most populated state. The discovery of gold in 1851, and the ensuing influx of speculators and entrepreneurs, provided the catalyst that transformed the State of Victoria into what is today a leading industrial and commercial center.

### OVERHAULING AN AGING PAPER-BASED PROCESS

The Victorian State Government created Land Victoria to handle the large volume of tasks relating to the management, definition, ownership and transfer of parcels of land, including managing the 700,000 property transactions performed by the State each year.

Ten years ago a government initiative was started to reduce red-tape and speed up the processes associated with conveyancing, the transfer of property title from one person to another. The traditional paper-based system involved a convoluted chain of events—including the drawing and depositing of checks, and the exchange and recording of ownership documents—had become extremely complex and slow, and with the projected population growth it was destined to deteriorate. To add even more urgency to the need for reform, members of the influential conveyancing industry were demanding an improved process in order to provide their own clients with suitable levels of service.

The electronic conveyancing (EC) project team was convened and chartered with developing an Internet-based system to provide an efficient and cost-effective online processing mechanism for the settlement and recording of property transactions. Michael McLean, business application manager for Electronic Conveyancing, recalled one of the project's fundamental objectives, "A huge part of the system is the legal framework and the management of the data within that structure. Data has to be sent to the Land Registry, the State Revenue Office, the Financial Settlement Manager (managed by the Australian Stock Exchange), and funds processed through the Reserve Bank of Australia to enable settlement, so security is critical. Finding a secure solution was a major priority for the overall success of the initiative. Many of our key stakeholders, including solicitors and conveyancers, also understood the significance of implementing the right security solution, and they weren't reluctant to express their concerns about the integrity of the data and non-repudiation of information within any potential system."

### SECURING AN INTERNET-ENABLED SOLUTION

Following approval of the EC project business case, the team focused on developing a proof of concept. By working with industry and a legal consultant, the team ensured the rules in the electronic system were completely aligned with the Victorian legal framework and further expedited the process by leveraging key components from partners, such as VeriSign, that were already established and proven in delivering government security solutions.

### SOLUTION SUMMARY:

Australia's Victorian State Government has delivered an Electronic Conveyancing application to streamline the process of land ownership and transfer. The process is protected by the government-endorsed VeriSign Gatekeeper Digital Certificates to secure electronic information.

#### Industry

- Government and Public Sector

#### Challenges

- The complexity and inconvenience of the State's paper-based conveyancing processes were burdening the system with unnecessary delays and costs.
- Projected growth in the State's population intensified the need to create and implement a viable alternative system.
- Stakeholder nervousness about the management and security of data had to be overcome before the solution gained widespread acceptance.

#### Solution

- VeriSign® Gatekeeper Digital Certificates





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As an example, in parallel with the EC project, the Australian federal government was funding many similar endeavors to streamline and secure the country's administrative applications. One such venture, Gatekeeper, is an initiative to encourage the use of PKI (Public Key Infrastructure) with Federal and State government agencies. VeriSign is accredited to provide Gatekeeper compliant digital certificate solutions to Australian Federal and State Government agencies with Individual, Non-Individual, Device and Australian Business Number Digital Signature Certificate (ABN-DSC) certificates. Gatekeeper certificates can be installed in email clients and Web browsers and are used to securely exchange information. They allow each party to verify the identity of whom they are dealing with, and permit communications to be encrypted so they can only be read by their intended recipients.

“In the area of security, for example, one of the fundamental rules stated that every subscriber using the system had to use a digital signing certificate; specifically the ABN-DSC,” recalled McLean. “So leveraging VeriSign Gatekeeper Digital Certificates was the expedient solution; VeriSign's role in issuing the certificates involves performing a physical 100-point identity check to ensure that the subscribers are who they say they are,” explained McLean.

He added, “Our system was constructed to utilize the VeriSign Gatekeeper certificates to verify the digital signatures as part of the overall process of securing the data, and then continue to validate the integrity of the data throughout the process, right through to our back-end systems. This enabled us to expediently take care of a critical component of the project.”

### BIG RETURNS AND SIGNIFICANT COST SAVINGS

In 2006 the EC system embraced its first subscribers, with the initial release facilitating the electronic lodgment of mortgages and discharge of mortgages. In June 2009, the EC project formally transitioned into an official core Land Victoria application. By that time the functionality had been extended to include electronic settlement, and it proudly processed **the first e-settlement in the world!**

← **one and one only  
in 3 years**

Many financial institutions and conveyancing industry members saw the project's potential for widespread benefit and they actively lobbied to expand it into a national system. However, today, the EC system continues to run only in Victoria. The Council of Australian Governments (COAG) and the Federal government have committed to evaluate the Land Victoria system in 2010. McLean noted, “Each state has its own legal system and autonomous requirements, so a national EC system will have to accommodate all of the differences. Whatever the dissimilarities, we feel that we have the right building blocks in place.”

The process for issuing VeriSign certificates has been further streamlined over the last 18 months. “To make the verification even faster, we vet the applicant first and then hand them over to VeriSign for the final onsite checks and issuance of the security token,” commented McLean. “The flexibility of the solution gives us the opportunity to continually optimize all aspects of the process.

### Results

- The use of government endorsed VeriSign Gatekeeper Digital Certificates alleviated concerns over data integrity.
- The Electronic Conveyancing system is at least **20% cheaper than the paper-based process**, and is estimated to produce significant savings across the State.
- Turnaround times for all aspects of the process are dramatically improved.
- Substantial improvement in the delivery of services across the industry has led to highly favorable adoption rates for the application.
- The ability to remotely make payments and register documents electronically in a secure environment is producing greater equality in pricing and access for subscribers living in rural areas.





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We've introduced **electronic caveats**—the process of issuing a financial lien on a property—the online processing of these is substantially faster than the legacy process; **4 to 7 minutes** versus the time taken by an individual to travel to the office and wait in a queue to manually lodge the paper documents.”

Land Victoria has experienced some very tangible benefits from the Electronic Conveyancing system; witnessing a streamlining that provides a faster, cheaper and more convenient conveyancing process, resulting in significant improvement in the delivery of services across the industry. Paper documents, previously the frequent cause of failures in the workflow, can now be eliminated; relevant parties no longer need to physically be present to sign paperwork; and manual data entry has been dramatically reduced, with a commensurate improvement in accuracy. Being able to lodge documents and make payments electronically also promotes greater equality in pricing and access for subscribers living in rural areas; who no longer need to travel to the State's capital to register documents with government agencies.

The EC application, which now offers electronic funds transfer and multiple disbursements into nominated accounts, has the **potential to generate savings of between AU\$235 and AU\$395 per transaction.** It is estimated that the move to electronic conveyancing will help reduce the cost of home ownership in Victoria.

The EC system has experienced a big uptake in subscribers over the last 6 months. **“Today, we have 50 active industry and 80 pending subscribers to** access the system,” stated McLean. “We're also delighted that it's proving to be significantly cheaper than the paper system.”

He concluded, “With the VeriSign Gatekeeper Digital Certificates in place solicitors' and conveyancers' concerns over the security of data in the Electronic Conveyancing system have been alleviated. Those subscribers that are already active on the system know they have a competitive advantage.”

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Michael McLean,  
business application manager  
for Electronic Conveyancing,  
Land Victoria

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00028306 01-08-2009

