



Westpac responses to further Questions on Notice

- 1. On Mr Evans' responses regarding APRA CPS 230 requirements, he spoke of contingencies being put in place. On notice, can each bank provide what contingencies are, or will be, in place should there be a significant incident related to the PEXA platform? Given the sensitivity, you may provide this in confidence.**

If the issue in question for policy makers is one of system resilience, then policy makers should ensure the entire ecosystem is considered, not just PEXA redundancy. The eConveyancing and settlement process is a broad set of digitised systems, far beyond PEXA, and there are single points of failure risk that exist across the ecosystem, such as Land Titles Registries, the Reserve Bank of Australia and State Revenue Offices.

Each of these systems forms a part of the mortgage settlements and eConveyancing supply chain and therefore carries its own form of redundancy risk. These risks, like any others, must be thoughtfully considered, planned for, and mitigated.

A focus on PEXA alone, as it relates to eConveyancing redundancy risk, does not address this important point.

In response to contingencies relating to an incident on the PEXA platform, Westpac has established a Board-approved Business Continuity Plan (BCP) for critical settlement operations, in alignment with APRA Prudential Standard CPS 230. This plan provides a structured framework to ensure the continuity of settlement activities in the event of a significant disruption, including scenarios involving the PEXA platform.

The BCP outlines comprehensive procedures for managing potential disruptions, including loss of physical premises, application outages and material service provider failure with specific coverage for PEXA. The BCP also sets out tolerance levels for critical settlement operations.

Further information on PEXA's position on CPS 230 is available on PEXA's [website](#).

Approximately a quarter of our settlement transactions can be managed internally and are processed through Westpac's origination platform in the event of a disruption. These would not be impacted.

In the event of a minor disruption to the PEXA platform, Westpac will implement manual settlement processing for impacted loan types where feasible and permitted by the respective Land Titles Offices. In such cases, operations will continue in a limited capacity until full-service restoration is achieved.

In the event of a severe disruption, where PEXA is unable to operate for an extended period, Westpac will consider a range of contingency measures to facilitate off platform processing at scale, in collaboration with relevant stakeholders, including:

- Engage an alternative provider offering a fast-purchase solution that enables mortgage settlements without the immediate exchange of title and supporting documentation.
- Settle refinance transactions between banks without the immediate exchange of title and required documentation.
- Revert to paper-based settlement where eConveyancing is not mandated.

- 2. Has Westpac prepared contingencies in the event of a severe disruption of e-conveyancing?**

- a) Have these contingencies been advised and approved by the Board?**



The contingencies described above are documented in a formal Contingency Plan, which is reviewed annually and approved by the Managing Director of Westpac's Mortgages Line of Business. The Board-approved BCP includes measures to reduce execution risk related to PEXA and acknowledges the existence of the Contingency Plan.

3. What risks has Westpac identified by relying on paper-based settlements in the event of an outage?

The introduction of digitised conveyancing or eConveyancing has significantly enhanced system-wide productivity and improved settlement accuracy for consumers. While it is important to assess and manage any risks, suggesting that such risks are unmanageable overlooks Australia's strong track record in property settlements.

Westpac notes that in many jurisdictions, eConveyancing is mandated. If banks were to revert to paper-based settlements, all participants in the conveyancing ecosystem, including banks, State Revenue Offices, the Reserve Bank of Australia and Land Titles Offices, would need to manage manual processes during the outage, such as physical handling of documents, likely extended timeframes for settlement and a capacity uplift for paper-based providers to support manual based processing.

4. Has Westpac ever participated in industry-wide resilience testing which has been undertaken of Australia's e-conveyancing infrastructure?

Yes.

a) If so, on what dates?

On 19 February 2025, Westpac participated in a Cyber Resilience exercise with PEXA and the other major banks.

5. Does an 'industry-wide contingency framework' currently exist?

No. PEXA operates a Financial Institution Cyber and Resilience Working Group with industry participants. However, as we note above, PEXA operates within a broader ecosystem that includes other key entities such as Land Titles Registries, the Reserve Bank of Australia and State Revenue Offices. Each plays a role in the mortgage settlement supply chain and carries its own form of redundancy risk. These risks, like any others, must be thoughtfully considered, planned for, and mitigated.

If the issue in question for policy makers is one of system resilience, then policy makers should ensure the entire ecosystem is considered, not just PEXA redundancy. A focus on PEXA alone, as it relates to eConveyancing redundancy risk, does not address this important point.

Westpac supports the development of an industry-wide contingency framework that should be led by the relevant government body, such as Australian Registrars National Electronic Conveyancing Council (ARNECC). We have previously called on ARNECC to establish this framework.

6. Has Westpac engaged PEXA in any scenario planning regarding a potential outage?

Westpac has engaged with PEXA and other banks in scenario planning for a potential outage and are planning another crisis and resilience testing for 2026.