



## Vendor's statements and property inspections

When buying a home, before you make an offer on a property, the real estate agent must provide you with a copy of the vendor's statement. The vendor's statement (or Section 32 Statement) contains information about the land for sale. It won't, however, contain any information about the condition of buildings and fittings. In this regard, it is vital that you carry out your own property inspection.

The vendor's statement is usually prepared by the vendor's solicitor or conveyancer and will contain information on:

- the property's title;
- mortgages, covenants and easements;
- zoning permits and planning information;
- services connected to the property and rates information;
- body corporate notices and liabilities;
- any notice, order or approval which may affect the land; and
- any building guarantees and permits obtained in the last seven years.

The vendor's statement is a legal document and must contain accurate information.

You may be able to withdraw from a contract of sale if it is inaccurate, incomplete or misleading. Have your solicitor review the vendor's statement and advise you on its contents.

The contract of sale will contain no guarantees about the condition of the building unless you negotiate them with the vendor. Again it is vital to do your own property inspection or hire a professional valuer, builder or architect to do one for you.

When conducting a property inspection some of the key things to look for are:

- rotten stumps;
- faulty wiring;
- structural cracking;
- rising damp;
- sloping or bouncing floors;
- termite activity;
- sagging roof frame;
- cracked roof tiles;
- correctly fenced swimming pools; and
- correctly measured property boundaries.

Don't just look for obvious problems. Look for signs that problems have been covered up. Is that coat of paint glossing over structural cracking? Is wood panelling or wallpaper covering up a more serious problem than just bad taste? When buying a home the rule is – buyer beware! Do your homework.

Speak to your solicitor about the pit falls to look out for when buying a home.

### More Information

*Buying a Home* information brochure. Available from the LIV or ask your solicitor.

### From the LIV Bookshop

*Buying and Selling Property in a Nutshell*, Airey, \$19.95

### Useful Web links

The LIV website contains information on buying a home at

[www.liv.asn.au/public/legalinf/property](http://www.liv.asn.au/public/legalinf/property)

## Misleading and deceptive advertising

The Australian Competition and Consumer Commission (ACCC) has sent a warning to the fruit juice and juice bar industry about health claims used to promote their products. Berri, Australia's largest juice company, became the first victim of the ACCC crackdown.

The labelling on Berri's SuperJuice range was found to be misleading. The amount of spirulina, wheat grass and barley grass in the product was insufficient to justify Berri's claim of a "shot" of grass in each product. The ACCC ruled the word "shot" implied the standard shot measurement of 30 millilitres

or 2.4 grams of green matter. The product was found to have less than half that amount.

The ACCC administers the *Trade Practices Act* (Cth) 1974, which provides consumers protection against unfair trade practices. The *Trade Practice Act* or TPA as it is commonly referred to, prohibits:

- misleading and deceptive conduct
- unconscionable conduct; and
- the making of false representations in relation to the sale of goods and services.

The concepts of misleading and deceptive are quite broad and are designed to protect consumers from being misled or deceived by marketing campaigns and unfounded claims. Conduct will be misleading or deceptive if it is likely to deceive the particular consumers who are the intended target of the claims or conduct.

In the case of Berri juices, the test would be interpreted as: would people drinking the SuperJuice range believe the product contained a shot (30 ml) of grass? The ACCC answered in the affirmative and Berri was found to have breached the *Trade Practices Act*.

As part of the court order, Berri will change the labelling on its products to more accurately reflect their ingredients. This includes giving an accurate indication of the amount of green matter and herbal supplements contained in the juice product in milligrams and volume percentage.

## More Information

### *From the LIV Bookshop*

Outline of Trade Practices and Consumer Protection Law (2nd Edition), Hurley & Wiffen, \$60.50

### Useful Web links

The ACCC has information on consumer rights at [www.accc.gov.au](http://www.accc.gov.au)

Consumer Affairs Victoria has information on consumer protection at [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au)

## Budget boost for the law

Last months federal budget saw almost \$400 million allocated over the next four years for new family law services. The centrepiece of this family law package is the establishment of 65 family relationship centres, which will offer mediation and counselling services to families in distress. Among the other items outlined in the budget within the Federal Attorney-General's department were:

- \$24.7 million in extra funding for access to justice issues, including increased security at commonwealth law courts and a continuation of the National Pro Bono Resource Centre;
- \$23.7 million over four years to fund workload increases in the Attorney-General's department;
- \$14 million over four years to the Director of Public Prosecutions

to fund counter-terrorism cases;

- \$9.5 million over four years to establish the Australian Commission for Law Enforcement Integrity; and
- \$8 million over four years to increase the Bill drafting capability of the Office of Parliamentary Counsel.

The Victorian state budget allocated a further \$126 million to the Victorian Justice system, which includes:

- \$2.5 million for planning the redevelopment of Melbourne's legal precinct;
- \$21.5 million for the Office of Public Prosecutions to help deal with its increased workload;
- \$5.8 million over four years to track high risk sex offenders and to ensure they receive counselling; and
- \$8.9 million for improved access to legal assistance, including four new Community Legal Centres.

## More Information

### Useful Web links

The Federal Attorney Generals Office has information on the federal budget at [www.ag.gov.au/www/MinisterRuddockHome.nsf](http://www.ag.gov.au/www/MinisterRuddockHome.nsf)

The Victorian Department of Justice has information on the state budget at [www.justice.vic.gov.au](http://www.justice.vic.gov.au)