



## Legal Waves

*Looking at how the law interfaces with today's boatowners and fishermen.*

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### Stop And Read The Fine Print . . .

**T**he good news is that the weather is warming up and many people are considering purchasing a boat in order to get out and enjoy the water.

However, there are a few key considerations before making that all important purchase!

As a marine and boat lawyer, I often come across people who have ended up disappointed or even exploited as they got carried away in the excitement of buying a boat and didn't pay attention to that all important small print.

It may sound obvious but always make sure on the location of the boat! I recently had a client who rang me with a rather unusual question. He asked 'could you sell a boat that had sunk!' After further investigation, it turns out that he could - as long as he disclosed the location of the boat which was 'somewhere underwater' in the inner harbour!

Interestingly enough, when selling a boat, it is more about whether or not the seller has title to the boat rather than the condition of the boat. Therefore, before you hand over your hard earned cash- make sure you inspect the boat and factor in any repairs to make sure it is in fact seaworthy!

*Most professional brokers are based at the major marinas such as this one at Abel Point, FNQ. Buyers must exercise due care and diligence with the paperwork.*

The other key factor to consider when buying a boat is to ensure that the contract for the sale includes the engine. I recently worked with a client who had inspected the boat, but failed to read carefully the contract for sale.

As a result, he only later on discovered that he was only purchasing the hull and not the brand-new engine.

When buying a boat overseas, ensure that it complies with Australian standards and that the actual contract is in English. Unfortunately, another client of mine signed a contract in French when he does not speak French!

Needless to say the terms of the contract were in favour of the seller and he now finds himself in a position of having to pay additional money to have the boat lifted out of the water and stored.

To make sure you are making good buying decisions, be sure to check the Hull Identification Number (HIN) / Boatcode before handing over any money. The HIN or boat code provides a unique numbering system that makes it easy to identify each vessel.

**HIN/Boatcode is compulsory for:**

- New vessels prior to initial registration
- On transfer of registration, where the vessel has not previously been affixed with a HIN
- Second-hand vessels being registered for the first time.

**The HIN / Boatcode provides:**

- The expansion of the Personal Property Securities Register to include vessels. If you are buying a boat you should conduct a search and check that there is no money owing on the vessel. By searching the Personal Property Securities Register (PPSR) you can find out if the boat you are planning to buy has a previous security interest registered against it by a finance company or bank. If you buy a boat that is subject to a security interest, you are risking that the secured party (e.g. the bank) will repossess it.
- A numbering system that deters vessel theft and assists in the recovery of stolen vessels.

No matter how beautiful the boat is; no matter how gorgeous the day and no matter how enticing the price appears to be – make sure you actually read the terms and conditions of the sale. If it is in any way hard to follow or understand – and you really like the boat - call in a local solicitor for a professional assessment and summary of the terms and conditions.

It could just save you a great deal of hassle – for a fraction of the boat's cost and real peace of mind.

**ABM**

