

Motor dealer guide

Licensing requirements

Motor Dealers and Chattel Auctioneers Act 2014 (the Act)

Are you and your staff appropriately licenced?



You need to keep a copy of the licence or registration of each staff member and be able to show all licences and registrations to inspectors or clients upon request.

Refer to **section 65, 75, 184 and 189 of the Act for further information to ensure compliance, or the website to obtain a [motor dealer licence](#).**

Have your licence details changed?



If your details change you must update your licence or registration within 14 days to the OFT.

You can [update your motor dealers licence](#) here.

Transactions register

Do you have a transactions register at each place of business?



You must keep a transaction register at each place of business. All transactions must be included in the register within 24 hours of the transaction taking place.

A transactions register can be kept electronically.

Consumer guarantees

Have you considered how the Australian Consumer Law's consumer guarantees will apply to this vehicle?



In Australia traders automatically give guarantees for their goods and services. These cannot be waived or contracted away.

For more information download the [Industry guide: Motor vehicle sales and repairs](#).

Required forms

Motor Dealers and Chattel Auctioneers Act 2014 (the Act)

Have you provided your customer with a contract of sale?



The contract of sale must be in writing and signed by all parties. You are bound by the contract as soon as it has been signed. The buyer is bound by the contract only when the cooling off period ends. A copy of the contract must be provided to all parties.

The contract must contain a statement of guarantee of clear title and cooling-off clause.

Refer to section 97 & 105 of the Act for further clarification.

Have you provided the customer with a cooling-off period and statutory warranty form (Form 12)?



It is a legal requirement that you give your customers a cooling-off period of one business day for standard sales. If there is no cooling-off period (e.g. for sales by auction or on consignment) there must be appropriate signage advising customers of this. If a customer cancels within the cooling-off period, you must refund the deposit, less any non-refundable portion up to a maximum of \$100. It is an offence to withhold more than the maximum non-refundable portion.

More information on [cooling off period for selling a car](#).

Have you guaranteed the vehicle has clear title?



You must guarantee to the buyer that a vehicle has clear title. This must be included as a statement in your contract.

Refer to section 96 of the Act for information on clear title.

Have you provided the buyer with a receipt for all payments (including deposits)?



If the buyer pays you any money, you must immediately give them a receipt.

For more information on the required [Motor industry forms](#).

Advertising and signs

Is your advertising free from misleading content or misrepresentations?



It is an offence for a business to make statements that are misleading or deceptive.

For example: **Online advertising**

Have you heard of component pricing?



Component pricing is the representation of the cost of a good or service to consumers in, or as the sum of, multiple component parts. If a price represents some but not all the components, it may be misleading.

The advertisement below uses component pricing and does **not provide a single price**, which may be perceived as misleading to consumers when advertising online motor vehicles for sale.



\$22,990

+\$500 (dealer delivery) + \$1000 (registration)
+\$1000 (stamp duty) + \$500 (CTP)
For a total price of \$25,990

This advertisement below **provides a single price** made up of all the components of the vehicle price which is unlikely to mislead and best practice advertising to follow.



\$25,990 RRP*

*RRP is the recommended retail price inclusive of stamp duty, CTP, registration, vehicle cost and dealer delivery.

For more information on pricing around motor vehicles refer to the **pricing manual** for guidance.

Statutory warranty

Motor Dealers and Chattel Auctioneers Act 2014 (the Act)

There are two types of statutory warranties: 'Class A' and 'Class B'.



Class A applies when:

- the vehicle has an odometer reading of less than 160,000km on the day of its sale;

and

- the vehicle has a built date of no more than 10 years before the day of its sale.

Class A warranties expire after three months or the first 5,000km (whichever occurs first).

Class B applies when:

- the vehicle has an odometer reading of more than 160,000km on the day of its sale;

or

- the vehicle has a built date of more than 10 years before the day of its sale

Class B warranties expire after one month or the first 1,000km (whichever occurs first).

Have you identified the correct class of warranty (Class A, Class B or no statutory warranty) to the buyer?



You must select the appropriate warranty option in the Form 12 refer to further information under *required forms*.

Vehicles not covered by a statutory warranty

The following vehicles are not covered by a statutory warranty:

- an unregistered motor vehicle that is:
 - incapable of being registered within Queensland because of its design
 - a written-off vehicle
- a motor vehicle sold on consignment, unless the owner of the vehicle is a motor dealer or auctioneer
- a caravan
- a motorcycle
- a commercial vehicle*.

*A commercial vehicle is a motor vehicle built mainly for carrying or hauling goods or designed to carry more than nine persons but does not include a utility with a nominal load carrying capacity of one tonne or less.

More information around **guarantees and warranties** on second-hand vehicles can be found here.

