

# Selling cars in South Australia

## Licensing requirements

It is a legal requirement to hold a licence as a second-hand vehicle dealer if:

- you buy, sell or offer for sale four or more cars in 12 months
- you and a close associate (e.g. your spouse, partner, brother or sister) offer to buy or sell six or more cars in 12 months. Both you and the associate must have a licence.

These same rules apply if you are buying or selling second-hand motorcycles.

A vehicle is 'sold' if the registration is transferred to another person.

If you buy or sell four or more vehicles in 12 months for private use, you'll need to prove that you're not a dealer and don't need to be licensed.

If you are a licensed dealer, you must not sell under the guise of being a private seller to attempt to avoid your legal obligations.

Read more about [second-hand vehicle dealer licences](#).

## Interfering with an odometer

It is an offence for anyone to interfere with an odometer – unless approval from Consumer and Business Services (CBS) has been granted prior to the change.

Interfering with an odometer includes:

- altering the reading
- removing
- replacing
- repairing, or attempting to repair
- rendering it inoperative or inaccurate in any way.

Read more about applying to [alter or replace an odometer](#).

## Responsibilities of licensed second-hand vehicle dealers

Licensed dealers have obligations under the *Second-hand Vehicle Dealers Act 1995* and the Australian Consumer Law. If you don't comply with your legal obligations CBS could investigate and take action for a potential breach. Action could include a formal warning letter, expiation notice, public warning, disciplinary action or prosecution.

### Registered premises

The address where vehicles are sold must be registered with CBS.

You can register an address when you:

- apply for a second-hand vehicle dealer's licence
- change the address or add extra locations to an existing licence.

### Compensation fund

All dealers need to pay an annual fee to the Second-hand Vehicles Compensation Fund. This fund protects consumers from dealers who don't act legally. You pay into the fund when you renew your licence.

### Providing information to prospective purchasers

You must attach to a vehicle for sale a notice providing certain details about the vehicle.

The notice must include things such as:

- the price
- make and model and year of manufacture
- registration number and year of first registration
- engine number
- odometer reading
- your name and address, as the dealer.

This notice must be provided to the purchaser.

It is an offence to provide false or misleading information about a vehicle for sale. It is also an offence to interfere with an odometer – unless approval from CBS has been granted prior to the change. See page 1 of this factsheet for more information.

### Written contracts

When you sell a vehicle there must be a written contract which includes all the details required by legislation. The contract must be signed by both parties and provided to the purchaser.

## Cooling off

Consumers have two clear business days to consider the purchase of a second-hand vehicle from a licensed dealer. Saturdays are considered to be business days.

A purchaser may cancel the contract by giving you written notice before the cooling-off period expires.

## Payments

You may request a deposit of up to 10% of the contract price of the vehicle. If the purchaser decides not to go ahead with the purchase during the two-day cooling off period, you must refund the deposit minus 2% of the contract price or \$100 whichever is lesser.

## Defects

You should only sell vehicles that are roadworthy, and you should also disclose any known defects. Some problems don't affect how the car runs – e.g. problems with the navigation system or air conditioning. Not every defect is covered by a warranty.

You must not sell a car declared a 'statutory write-off'. You must disclose if a car is a 'repairable write off'.

You have a duty to repair defects:

- under the Australian Consumer Law (this law covers both car and motorcycle purchases)
- under the statutory warranty (this only applies to cars, not motorcycles)
- when another warranty applies – e.g. manufacturer's warranty, express warranty or extended warranty.

Repairs must be done to acceptable industry standards. If a vehicle is delivered to you for repairs, and you cannot or will not do the repairs in a reasonable time, the consumer can apply to CBS for a conference to attempt to resolve the matter by conciliation. In some cases CBS could take disciplinary action against you if you fail to attend the conference, do not conduct yourself reasonably at the conference, or fail to carry out your obligations under an agreement reached at the conference.

## Statutory warranty

For cars priced:

- between \$3,001 and \$6,000, the warranty covers the car for up to 3,000 km or two months, whichever occurs first
- over \$6,000, the warranty covers the car for up to 5,000 km or three months whichever occurs first.

The statutory warranty does not apply to cars that:

- have been sold for \$3,000 or less
- have travelled over 200,000 kilometres before the sale
- were first registered more than 15 years ago.

## Australian Consumer Law

Under the Australian Consumer Law (ACL), both dealers and manufacturers guarantee that vehicles will be of acceptable quality. They also guarantee to honour any express warranties. If a consumer guarantee has not been met, then either the dealer or the manufacturer must provide a remedy – e.g. repairs at no cost to the consumer.

Consumer guarantees:

- apply to all vehicles, even if there is no warranty, and may continue to provide protections for consumers even when a warranty has expired
- cannot be replaced, limited or removed by any agreement, contract or warranty
- aren't capped by a specified timeframe or kilometre limit
- apply for a reasonable period of time, although a range of factors will guide what is 'reasonable' – e.g. the price paid, age of the vehicle and distance travelled.

Consumer rights under warranty and consumer guarantees won't apply in circumstances where a consumer has misused a vehicle.

## Employing salespeople

As a car dealer, you can't employ salespeople who have been:

- convicted of a serious - indictable - offence of dishonesty
- convicted of a summary offence of dishonesty in the last 10 years
- suspended or disqualified from an occupation, trade or business in Australia.

## More information

Visit SA.GOV.AU for more information about [second-hand vehicle dealer responsibilities](#), and if you have any queries about your licence contact CBS via [occupational@sa.gov.au](mailto:occupational@sa.gov.au).

Please report any concerns about unlicensed or other unlawful trades activity to CBS via the online form at [www.cbs.sa.gov.au/contact](http://www.cbs.sa.gov.au/contact) or call CBS on 131 882.