



MOTOR TRADERS' ASSOCIATION  
OF NEW SOUTH WALES

# CODE OF ETHICS

Adopted on 19 November, 1996

MTA NSW CODE OF ETHICS

## The MTA Code of Ethics is the foundation of members' high level of public credibility.

It is a public commitment that MTA members will go about their business professionally and fairly.

It is this understanding which sets MTA members apart from the others in our industry and provides an advantage in the marketplace over non-member competitors.

### MTA MEMBERS WILL:

- act honestly and fairly in all dealings with the public and conduct business with strict professional courtesy and integrity;
- comply with state and federal laws, regulations and codes of practice applicable to their business or duties;
- offer a firm quotation for repairs to a vehicle including parts, labour and sub-contracting, or where this is not possible make it clear to the consumer that only an estimate, not binding on either party, is being furnished;
- notify the consumer in advance of any dismantling charges necessary to arrive at a quotation;
- notify the consumer and seek permission to continue work if during the progress of any work it appears that the estimated charges will be exceeded;
- provide on invoices full details of work carried out and charges for labour, spare parts, materials, parts disposal, environmental levies and subcontractors used;
- guarantee repairs and service performed against failure due to defective parts *supplied by the repairer* or the faulty workmanship for a specific number of kilometres or period of time (subject to the consumer's rights at law);
- not knowingly mislead a consumer in relation to the condition of a vehicle or be a party to improper practice in relation to the sale or purchase of a vehicle;
- pass an unencumbered title to any vehicle sold, but in the event that the encumbrance cannot be cleared, make good loss suffered by the consumer;
- provide reasonable facilities to enable prospective purchasers to examine any vehicle prior to sale; and
- not misrepresent any product or service in any form of advertisement published or displayed and ensure that all claims and descriptions made in any such form of advertising are genuine.

## 1 Part One Introduction

### General

1. This Code of Ethics ("the Code") has been prepared and adopted by the Motor Traders' Association of New South Wales ("MTA").
2. The Code governs the conduct of all MTA members to whom the Code is expressed to apply.
3. Many of the provisions of the Code are a restatement of principles and practices which have been observed by MTA members for many years.
4. MTA members recognise that fair and genuine competition is fundamental to the service to which consumers are entitled.
5. The Code demonstrates the high standards adopted by MTA members and the advantages and protection a consumer has in using the facilities and services offered by MTA members.
6. The provisions of the Code may be altered from time to time as the occasion demands.
7. The principles set out in the Code are intended to be read subject to existing law.
8. In the event of inconsistency between the Code and MTA's Constitution and Rules, the latter shall prevail.

### Application

9. The Code Applies to all MTA members.

### Objectives

10. This code is intended to:
  - a. record the ethics and practices to be observed by MTA members in the conduct of their businesses and in their dealings with others;
  - b. set forth the principles and standards which shall apply be observed by, and which consumers may expect of, members in relation to:
    - i. The sale or purchase of vehicles; and
    - ii. The repair, service and maintenance of vehicles;
  - c. ensure that the public receives the best possible attention and service from MTA members at all times;
  - d. ensure that the public interest shall predominate in all competitive trading between MTA members;
  - e. maintain and enhance the reputation, standing and good name of MTA and its members generally; and
  - f. publicise the provisions of the Code and make known to consumers and others the ethics and practices expected of MTA members in the conduct of their businesses and in their dealings with others.

## 2 Part Two Obligations of MTA Members

### General

11. A member will:
  - a. accept the Code entirely;
  - b. ensure the compliance with the Code by all employees;
  - c. act in a manner which does not conflict with the best interests for the public and conduct business and perform duties in accordance with strict professional courtesy and integrity;
  - d. comply with state and federal laws, regulations and codes of practice applicable to their business or duties;

- e. Conduct business and perform duties in free competition with fellow members and refrain from criticising the actions or damaging the reputation of competitors who are MTA members, whether directly or by implication; and
  - f. not engage in any activity which would adversely affect the reputation, standing or good name of MTA.
12. A member will ensure, so far as is practicable, that a manufacturer, supplier, or subcontractor will not jeopardise their ability to fulfil the requirements of the Code.

**Workplace safety**

13. A member will:
- a. maintain premises which are safe for all employees and non-employees;
  - b. select and maintain safe plant and equipment; and
  - c. maintain safe work systems for employees.

**Industry training**

14. A member will:
- a. undertake a responsibility in training skilled trades persons required by the motor industry where it is reasonable to do so; and

- b. if capable of employing and indenturing/contracting apprentices or trainees, accept responsibility for training such apprentices or trainees.

**Member identification**

15. A member will use only MTA member identification material authorised for use by MTA and only in the manner recommended by MTA.

**Advertising**

16. Advertisements published or displayed by MTA members will not:
- a. contain any references to guarantees or warranties which take away or diminish the rights of a consumer; nor should they be worded as to be understood by the consumer as doing so;
  - b. misrepresent any product or service offered to consumers; or
  - c. contravene federal or state law.
17. A member will ensure that all claims and descriptions made in advertisements are genuine.

**Environmental obligations**

18. A member will implement and maintain adequate trade waste management systems and will adhere to all environmental and anti-pollution statutes.

**3**

**Part Three Obligations of MTA Members – Repairs, Service and Maintenance**

**Quoting**

19. The preparation of a quotation by a member will be treated with care, as the acceptance of a quotation may constitute the basis if a contract between the member and the consumer:
20. A member will:
- a. offer a firm quotation for repairs to a vehicle including parts, labour and subcontracting, or where this is not possible make it clear to the consumer that only an estimate, not binding on either party, is being furnished;
  - b. notify the consumer if a quotation or estimate does not include prices for spare parts or any other materials used;
  - c. provide a written quotation or estimate at the consumer's request;

- d. notify the consumer in advance of any dismantling charges necessary to arrive at a quotation;
- e. explain any work included in the quotation or estimate given;
- f. provide the consumer with an estimated vehicle repair or service time and inform the consumer if this estimated time cannot be met; and
- g. notify the consumer and seek permission to continue work if, during the progress of any work, it appears that the estimated charges will be exceeded.

### Replacement spare parts

- 21. Parts replaced by a member during the repair or service of a vehicle will be made available at the completion of work and on request by the consumer; unless a warranty is involved or unless the parts have to be submitted to a supplier because replacement parts are being supplied on an exchange basis.
- 22. A member will not refit parts to a vehicle if the fitment of those parts would, in their opinion, render a vehicle unsafe or unroadworthy.

### Invoicing

- 23. Invoices issued by a member will: a. give full details of the work carried out and charges for labour; spare parts, materials, parts disposal, environmental levies and subcontractors used; and b. record dates and odometer readings where applicable.

### Protection of consumers' property

- 24. A member will take reasonable measures to prevent loss of, or damage to, a consumer's vehicle (and vehicles contents) between the time of vehicle delivery by the consumer to the member; and the time of vehicle delivery by the member to the consumer.

### Guarantees/Warranties

- 25. A member will, subject to clause 26, guarantee repairs and service performed against failure due to defective parts supplied by them or faulty workmanship for a specific number of kilometres or period of time.
- 26. Such a guarantee will:
  - a. be of reasonable duration having regard to the use of the vehicle by the consumer;
  - b. warrant that all services will be rendered with due care and skill and that any materials supplied in connection with the services will be reasonably fit for the purpose for which they are supplied; and
  - c. comply with the requirements of any appropriate consumer legislation.

### Method of Payment

- 27. A member will notify consumers of their preferred method of payment before work is accepted and commenced.

### Subcontracting

- 28. A member will be responsible for the quality for a subcontractor's work provided that the subcontractor has been nominated by the member.

### Advice on defects not covered by work

- 29. While a member's contractual responsibility to the consumer is limited to the work agreed to be performed, a member will advise the consumer of any defects in the vehicle not covered by the work to be performed and which may become apparent while the work is being carried out.

### Temporary repairs

- 30. The obligations of a member under clause 25 and 26 of the Code will not apply in relation to any repair or service which the member and the consumer agree is of a temporary nature only.

## 4 Part Four Obligations of MTA Members – New and Used Vehicle Dealers

### Fair trading

31. In conducting businesses as a new or used motor vehicle dealer, a member will:
  - a. have a thorough knowledge of, and comply with, the provisions of the Motor Dealers Act 1974 (and regulations);
  - b. offer used vehicles for sale on their merits and without exaggeration, concealment or misrepresentation; and
  - c. ensure that vehicles sold are of merchantable quality and fit for the purpose for which they are required.
32. A dealer will not in connection with the sale or purchase of a vehicle:
  - a. knowingly be a party to any improper practice concerned therewith;
  - b. wilfully or falsely represent that a vehicle is available for sale when it is not;
  - c. knowingly mislead a consumer in relation to the condition of a vehicle;
  - d. knowingly or negligently state or misrepresent the year of first registration of a vehicle; or
  - e. misrepresent the model designation of a vehicle.

### Unencumbered title

33. A dealer will pass an unencumbered title to any vehicle sold, but in the event that the encumbrance cannot be cleared, make good any loss suffered by the consumer.

### Agent transaction

34. A member, when acting as an agent in the sale of a motor vehicle, will act in a fair and honest manner in dealing with all parties to the sale.

### Inspection facilities

35. A dealer will provide reasonable facilities

to enable prospective purchasers, or their nominees, to examine a vehicle prior to sale in order that any defects which ought to be revealed at the times of sale are made known to both parties.

### Odometer readings

36. If a dealer has reason to doubt the accuracy of an odometer reading of a vehicle to be offered for sale, reasonable steps will be taken to verify the accuracy of that reading and to inform the consumer of any discrepancy between the odometer reading and the actual distance travelled.
37. Odometer readings will not be quoted in advertisements or negotiations relating to the sale of used vehicles if the dealer knows, or has reasonable cause to know, that the reading on the odometer is not a true representation of the distance travelled by that vehicle.

### Contract of sale

38. When selling a vehicle, a dealer will use a contract of sale form which makes clear to both parties all terms and conditions upon which business is being done.

### Warranties

39. Before delivering a new vehicle, a dealer will draw to the attention of the consumer the terms of the manufacturer's warranty and provide the consumer with any relevant documents.
40. Any commitment made to a consumer which is not included in, or covered by, the manufacturer's warranty or any other warranty form will be clearly set out in writing and signed by the parties before delivery of the vehicle.

## Financing

41. A dealer will not:
- ask a consumer to enter into a contract to finance the purchase of a vehicle without explaining the repayments and charges required by law (making available to the financier all relevant information supplied by the consumer); or
  - advertise a method, or indicate that a method is available, for financing the purchase of a vehicle which is not permitted by law or is misleading.
42. When advertising a vehicle for sale a dealer will not:
- present comparisons with other models of different manufacture in a confusing or misleading manner;
  - offer a minimum trade-in allowance;
  - state that the price of a second hand or demonstrator vehicle has been reduced by a specified amount or proportion, or from a specified amount, unless also specifying the cash price of the vehicle;
  - state that the price of a new vehicle has been reduced by a specified amount or proportion, or from a specified amount, unless also specifying that the reduction is related to the manufacturer's recommended retail price;
  - display a vehicle as available for sale when it is not in fact available for sale;
  - entice consumers to inspect a vehicle because of the terms or price advertised, with the preconceived intention of having a consumer purchase another vehicle not advertised in a similar fashion, and not available for sale on similar terms;
  - offer free gifts or substantially discounted goods (for example domestic whitegoods or holiday trips) not directly related to the supply of motor vehicles and which are intended to, or could, act as inducements to prospective purchasers of motor vehicles, except where those gifts of a manufacturer's national promotion; or
  - offer unrealistic minimum deposits.

# 5

## Part Five Complaints and Disputes

43. A member must have an internal complaints handling mechanism. This mechanism must be:
- available to all consumers; and
  - free of charge to the complainant.
44. A member must handle inquiries and complaints from consumers (whether made orally or in writing) in a timely manner and advise consumers when a resolution can be expected or whether there will be delays.
45. A member should attempt to resolve all consumer complaints and provide remedies that are fair and reasonable in the circumstances, fulfil legal obligation and reflect good industry practice. Remedies available to the complainant should include (but not be limited to) refund, replacement, repair, substitution, technical assistance or goodwill payment.
46. Subject to clause 47, in the event of a dispute (an unresolved complaint) arising between a member and a consumer, MTA will, with the agreement of both parties and on the understanding that MTA's costs will be met by the parties, attempt to resolve the dispute through mediation.
47. MTA will not necessarily mediate in disputes between a member and a consumer where the subject matter of that dispute has been referred to any other organisation or body for conciliation and/or arbitration.
48. If requested, a member will provide information to the complainant on the availability of alternative industry dispute resolution mechanisms including statutory dispute resolution bodies.



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