

MOTOR TRADERS'  
ASSOCIATION OF NSW



# Code of Ethics



# The MTA Code of Ethics

## 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 of ancillary charges to repairs such as storage costs;
- 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.

**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.**



# 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 Rules, the latter shall prevail.
9. A Breach of this Code by any MTA Member may lead to Disciplinary Action by the Executive Board of MTA. Any such action may include expulsion from MTA.
10. The reference to “vehicle” within this Code carries the same meaning as under the Motor Dealers and Repairers Act.
  - b. set the principles and standards which shall apply to be observed, and which consumers may expect of members in relation to:
    - i. the sale or purchase of vehicles;
    - ii. the repair, service and maintenance of vehicles; and
    - iii. provision of any services by a member of MTA.
  - 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. ensure that members of MTA deal with each other in a respectful and professional manner;
  - f. provide consumers with confidence in dealing with any member of MTA;
  - g. enhance the professionalism of all MTA members in the operations of their business and the provision of service to all customers;
  - h. maintain and enhance the reputation, standing and good name of MTA and its members generally; and
  - i. 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.

## Application

11. The Code Applies to all MTA members.

## Objectives

12. 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;



# Part Two

## Obligations of MTA Members

### General

13. 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 of 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.
14. 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

15. A member will:
  - a. maintain premises which are safe for all employees and non-employees;
  - b. select and maintain safe plant and equipment;
  - c. maintain safe work systems for employees; and
  - d. provide a workplace which is clean and professional.

### Industry training

16. A member will:
  - a. undertake a responsibility in training skilled trades persons required by the motor industry where it is reasonable to do so;
  - b. if capable of employing and indenturing/contracting apprentices or trainees, accept responsibility for training such apprentices or trainees; and
  - c. ensure that suitably skilled persons will undertake the necessary work on a customer's vehicle.

### Member identification

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

### Advertising

18. 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.
19. A member will ensure that all claims and descriptions made in advertisements are genuine.

### Environmental obligations

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



# Part Three

## Obligations

of MTA Members - Repairs,  
Services & Maintenance

### Quoting

21. The preparation of a quotation by a member will be treated with care, as the acceptance of a quotation may constitute the basis of a contract between the member and the consumer.
22. 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 estimate of 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

23. 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.
24. 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.
25. Members are to include in any quotes a clause to cover where consumers supply parts. Members are not recommended to accept consumer supplied parts, but they should warn consumers that if parts are supplied, then any ACL warranties applying to the members are limited to the workmanship in fitting the parts and not the parts themselves.

### Invoicing

26. 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;
  - b. record dates and odometer readings where applicable;
  - c. invoices to specify all work not carried out as recommended during the repair.

### Protection of a consumers' property

27. A member will take reasonable measures to prevent loss of, or damage to, a consumer's vehicle (and vehicle 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

28. A member will, subject to clause 29, 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.
29. 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

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

### Advice on defects not covered by work

31. 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 or which may become apparent while the work is being carried out.

### Temporary repairs

32. 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.

# Part Four

## Obligations

of MTA Members - New  
and Used Vehicle Dealers

### Fair trading

33. In conducting business 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 and Repairers Act 2013 (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.
34. 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

35. 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

36. 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

37. 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 time of sale are made known to both parties.

### Odometer readings

38. 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.
39. 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

40. 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

41. Before delivering a new vehicle, a dealer will draw to the attention of the consumer the terms of the manufacturer's or statutory warranty and provide the consumer with any relevant documents.
42. 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

43. A dealer will not:
  - a. 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); and
  - b. 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.

### Advertising

44. When advertising a vehicle for sale a dealer will not:
  - a. present comparisons with other models of different manufacture in a confusing or misleading manner;
  - b. offer a minimum trade-in allowance;
  - c. 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;
  - d. 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;

## Part Five Complaints & Disputes

- e. display a vehicle as available for sale when it is not in fact available for sale;
- f. entice consumers to inspect a vehicle because of the terms or price;
- g. advertise 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;
- h. 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
- i. offer unrealistic minimum deposits.

- 45. A member must have an internal complaints handling mechanism. This mechanism must be:
  - a. available to all consumers; and
  - b. free of charge to the complainant.
- 46. 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.
- 47. 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.
- 48. Subject to clause 49, 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.
- 49. 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.
- 50. If requested, a member will provide information to the complainant on the availability of alternative industry dispute resolution mechanisms including statutory dispute resolution bodies.





# The Voice of the Motor Industry



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