Audit Outcome Report

Motor Vehicle Traders Act 2011

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Consumer Affairs Tasmania
Department of Justice

Consumer Affairs TASMANIA

Tasmanian Government

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Proactive Compliance Team Summary Report

Summary

Consumer Affairs Tasmania (CAT), supported by the Proactive Compliance Team (PACT), promotes compliance and consumer protection across a range of regulated industries through education, dispute resolution, licensing, audits, and enforcement activities.

Between April and August 2026, the PACT audited 60 licensed motor vehicle traders across Tasmania. The audit reviewed a representative sample of large, small, and new licence holders with a focus on displaying licences, ensuring licence numbers were included in advertising, and complying with the requirements relating to pre-sale disclosure statements. The audit also gathered information from traders on their practices to ensure merchantable quality of vehicles.

The audit program found most traders have implemented processes to ensure vehicles are of merchantable quality. However, recurring deficiencies in pre-sale disclosure documentation, licence display requirements and online advertising compliance were identified. Inconsistencies were identified concerning the use of the approved pre-sale disclosure statement, with incomplete or critical contents such as itemised costs being omitted.

The audit findings support a targeted compliance approach, focusing on improving trader awareness and adherence to pre-sale disclosure statement requirements, statutory warranties, and online advertising obligations.

The auditees have been de-identified in this report to allow publication.

Background

CAT is an output within the Department of Justice. CAT incorporates areas of consumer affairs, residential tenancy, occupational licensing, and electricity and gas compliance and standards.

CAT provides advice and assistance with topics including consumer services such as shopping and trading, renting, electrical and gas safety. CAT also licenses, registers and regulates a range of occupations in the building and construction industry, motor vehicle traders, conveyancers and security employees.

The PACT supports CAT in strengthening regulatory compliance through remote and on-site audits, prioritising education where possible and exercising compliance powers when necessary.

The purpose of this audit was to build positive working relationships with industry members and stakeholders by delivering education where necessary, raising awareness, and providing information and advice to licensed traders.

The focus of this audit was on used motor vehicle traders and pre-disclosure statement requirements, particularly whether traders are completing all elements found in the approved pre-sale disclosure statement form: Used Motor Vehicle Pre-Sale Disclosure Statement 2023.

The 2023 Used Motor Vehicle Pre-Sale Disclosure Statement replaced a similar statement in use since 2012. The 2023 Statement was approved by the Director of Consumer Affairs and Fair Trading and came into force on 1 April 2023.

Jurisdiction

The audit was undertaken in accordance with powers under the *Motor Vehicle Traders Act 2011* (the Act), the Motor Vehicle Traders Regulations 2022 (the Regulations) and the *Consumer Affairs Act 1988*.

Use of Compliance Powers

All CAT officers conducting the audit were authorised persons appointed by the Director under section 13 of the *Consumer Affairs Act 1988*.

Audit Particulars

The audit assessed compliance with the following sections of the Act:

> *37. Pre-sale disclosure requirements for used motor vehicles*
> *(1) A licensed motor vehicle trader must display in, on or attached to a used motor vehicle which is offered for sale or exchange a pre-sale disclosure statement that complies with the regulations.*
> *38. Displaying licence*
> *(1) A licensed motor vehicle trader must display a full-size copy of his or her motor vehicle trader licence in a prominent position at each premises at which the trader buys, sells or exchanges motor vehicles.*
> *39. Displaying licence number*
> *A licensed motor vehicle trader must specify the number of his or her motor vehicle trader licence on all –*
> *(a) advertisements relating to the sale of motor vehicles by the licensed motor vehicle trader or the business of dealing in motor vehicles carried on by the licensed motor vehicle trader; and*
> *(b) pre-sale disclosure statements provided by the licensed motor vehicle trader; and*
> *(c) contracts for the sale of motor vehicles entered into by the licensed motor vehicle trader; and*
> *(d) warranties given by the licensed motor vehicle trader and other documents relating to such warranties; and*
> *(e) prescribed documents.*

The audit also assessed compliance with regulation 7:

> *7. Pre-sale disclosure statement*
> *A pre-sale disclosure statement –*
> *(a) is to be in a form approved by the Director; and*

(b) is to contain the following information:

(i) the motor vehicle trader licence number for the licensed motor vehicle trader who is making the statement;

(ii) the make, model and registration number of the vehicle to which the statement relates;

(iii) such other information as determined by the Director; and

(c) may contain additional relevant disclosures, or other information, as the licensed motor vehicle trader making the pre-sale disclosure statement considers appropriate.

The primary purpose of the audit was to educate motor vehicle traders about their obligations under the relevant legislation. However, infringement notices are considered where non-compliance with audited provisions is identified.

At the commencement of the audit, there were 210 motor vehicle traders licensed to sell used motor vehicles listed in Tasmania. A total of 60 traders, representing 28.6% of registered traders, were audited across Hobart, Launceston and Devonport.

The selection was based on internal CAT complaint data, traders identified in previous audits as non-compliant, and traders licensed in the last two years who may not have had an opportunity to engage with CAT compliance officers before.

This audit was primarily conducted on-site at business premises, with traders and staff present during inspections. Where traders operated from a residential address, information and supporting evidence was obtained via telephone and email.

Key Findings/Trends

Of the 60 licensed motor vehicle traders audited across Hobart, Launceston and Devonport, 52 were actively trading at the time of inspection, with the remaining eight licence holders no longer trading or yet to commence business.

Only four of the 52 active traders (7.7%) achieved full compliance across all audited criteria. This result suggests that although compliance was observed in individual areas, comprehensive compliance with legislative and licensing obligations remains low across the sector.

Pre-Sale Disclosure Statements

Section 37 of the Act

Pre-sale disclosure statements were the most common area of non-compliance identified during the audit. Nine of the 52 active traders (17.3%) had one or more vehicles displayed for sale without a pre-sale disclosure statement attached. In addition, officers identified widespread use of modified, incomplete or non-approved disclosure documents.

Section 7 of the Regulations

Discussions with traders revealed varying levels of awareness and understanding of the approved 2023 Pre-Sale Disclosure Statement. Several traders advised they

were unaware of the approved form or were uncertain about the information required to be disclosed. The use of the approved form promotes consistency in consumer disclosures and supports informed purchasing decisions by enabling consumers to readily compare information provided by different motor vehicle traders.

The audit identified a range of deficiencies in the completion of disclosure statements. The most commonly-omitted or incomplete items included:

- itemised price displayed including transfer fees, duty and registration
- registration expiry date
- written-off register information
- signed declaration by trader
- statutory warranty information
- motor vehicle trader licence number.

Ten statutory warranty deficiencies were identified during the audit. These included incomplete statutory warranty disclosures, and instances where vehicles were incorrectly classified as exempt from statutory warranty requirements. While not widespread, such errors may have a significant impact on consumers by affecting their awareness of, and access to, statutory warranty protections and remedies.

The prevalence of alternative or incomplete disclosure forms suggests information provided during the implementation of the revised Pre-Sale Disclosure Statement has not been consistently retained within businesses or effectively communicated to staff responsible for vehicle preparation and sales.

Guidance for industry

In accordance with section 7(b)(iii), the approved Pre-Sale Disclosure Statement must be completed in full and displayed with each vehicle offered for sale. Officers reiterated throughout discussions with traders and outcome reports that traders must use the approved form, complete all applicable fields, and ensure the information provided is accurate.

Licence display requirements

Displaying licence at premises

Non-compliance with licence display requirements was a notable finding of the audit. Of the audited traders, 15 (28.8%) failed to display their motor vehicle trader licence at their business premises as required by the Act. In addition, some traders continued to display expired licenses, which may create confusion for consumers attempting to confirm a trader’s licensing status.

Online advertising compliance

The audit identified recurring non-compliance relating to online advertising. Most traders advertise vehicles on social media platforms. A significant number of social media posts reviewed as part of the audit did not include a trader’s motor vehicle trader licence number within advertisements. This suggests some traders may not

fully recognise that social media advertising is subject to the same legislative requirements as other forms of vehicle advertising.

Guidance for industry

While a trader's social media profile may display their licence number, each post or advertisement listing a vehicle for sale is considered a separate advertisement. The motor vehicle trader licence number is required to be included in each advertisement so consumers can readily identify the trader.

Including the licence number only within a social media profile or elsewhere on the page requires the consumers to navigate away from the advertisement to locate that information. This does not meet the intended requirement of providing clear and accessible trader identification.

Merchantable Quality

The audit confirmed most traders have implemented processes to ensure vehicles are of merchantable quality. Traders commonly reported conducting pre-sale safety inspections, mechanical assessments and vehicle preparation prior to offering vehicles for sale. Many traders also advised that inspection and service records could be made available to consumers upon request. However, it remains unclear whether consumers are aware that this information is available, or that they can request it before making a purchasing decision.

Updating contact details

Officers conducting the audit experienced difficulties locating some traders at the business address recorded on the register. These findings suggest further education is required regarding the obligations under section 41(2)(b) of the Act, as some traders do not appear to maintain current business contact information. Accurate licensing records are essential to support effective regulatory oversight, compliance activities, and consumer enquiries.

Mutual Responsibility

Sections 58 and 59 of the *Motor Vehicle Traders Act 2011* recognise compliance is a shared organisational responsibility. Licensed traders are expected to ensure that employees and agents receive appropriate training, guidance and oversight, particularly in relation to advertising, disclosure and statutory warranty obligations.

Audit discussions identified instances where staff attributed non-compliant practices to head office procedures or business-wide directions. However, internal business directions do not override legislative requirements, and responsibility for compliance remains with the licensed trader across all business locations.

Officers encountered several dealership sites where employees were unwilling or unable to engage with authorised officers, advising that only a manager, who was absent at the time, could answer questions regarding business practices or compliance obligations.

Although responsibility for compliance ultimately rests with the licence holder, it is a requirement under the Act for employees involved in the advertising, preparation, and sale of motor vehicles to ensure they comply with the legislative requirements relevant to their duties. Their day-to-day activities contribute directly to compliance outcomes and play an important role in ensuring legislative obligations are met.

A lack of staff knowledge or engagement may increase the risk of non-compliant practices occurring, being repeated, or remaining unaddressed. The audit findings suggest compliance knowledge and accountability should be embedded throughout the business, rather than residing solely with managers or head office functions, to support consistent compliance across all areas of operation.

Compliance Plates

Since July 2022, motorcycles have no longer been fitted with compliance plates. Instead, compliance information is verified using the vehicle identification number through the Road Vehicle Regulator (ROVER) Public Search facility.

As a result, the compliance plate section of the Pre-Sale Disclosure Statement is not applicable to motorcycles manufactured under the current arrangements. Accordingly, compliance action will not be taken where a used motorcycle trader leaves that section blank.

Industry Concerns

A recurring issue raised during the audit was the prevalence of unlicensed motor vehicle trading. Traders expressed concern about vehicles being sold through online marketplace platforms by unlicensed sellers, often citing examples of consumers purchasing vehicles that were unsafe, defective, or accompanied by inadequate disclosure.

While these concerns were largely anecdotal, they were raised consistently throughout the audit and emerged as one of the most significant industry issues identified during stakeholder engagement. The findings highlight ongoing industry concerns regarding the potential consumer risks associated with unlicensed motor vehicle trading activity.

CAT investigates all specific allegations of unlicensed motor vehicle trading.

Clarification on the PPSR

Some traders raised concerns that consumers may place undue reliance on Personal Property Securities Register (PPSR) Certificates of Clear Title. While a clear certificate can identify whether a security interest is registered against a vehicle, it does not provide stolen vehicle information for Tasmanian-registered vehicles.

Consumers should therefore undertake additional checks before purchasing a vehicle. Stolen vehicle status and registration information can be verified through the Tasmanian Government’s Vehicle Registration Check service. Although some traders

advised they routinely perform these checks before offering vehicles for sale, this practice was not reported consistently across the industry.

The findings highlight the importance of consumers using both PPSR and registration status checks as part of their purchasing decision-making process.

Conclusions

Audit Outcomes

The audit resulted in the following outcomes:

- Increased CAT visibility within the motor vehicle trading industry through an audit program involving 60 licensed traders. The audit identified compliance rates and emerging risks across the sector, providing valuable intelligence to inform future education, compliance and enforcement activities.
- Demonstrated to traders, employees and consumers that CAT actively monitors compliance with motor vehicle trading obligations and licensing requirements.
- Afforded CAT an opportunity to engage directly with licensed traders, raise awareness of legislative obligations and provide guidance on compliance requirements.
- Strengthened relationships between CAT and industry stakeholders through positive engagement and education focused compliance activities.
- Improved understanding of industry practices relating to vehicle preparation, pre-sale disclosures, statutory warranties and advertising activities.
- Identified opportunities for targeted education to improve compliance with pre-sale disclosures, licence displaying requirements, statutory warranty and advertising obligations.
- Provided valuable feedback from industry regarding emerging issues, including unlicensed motor vehicle trading and consumer reliance on vehicle history information, to inform future regulatory initiatives.