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**CARS24.COM**

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Minister for Small Business and Fair Trading  
NSW Government  
Online

**RE: Motor Dealers and Repairers Amendment (Statutory Review) Bill 2022**

Dear Minister

CARS24 is an online used car buying experience, with end to end capability, that gives customers a reliable way to buy cars with ease, confidence, and convenience. CARS24 through its business model and transaction process offers a thorough vehicle inspection before the vehicle is listed online, a fixed price no haggle environment as well as supporting consumer satisfaction, vehicle quality and value for money. Unlike existing online marketplaces, CARS24 owns every car we sell. This ensures quality control from sourcing through to delivery and warranty to ensure the best customer experience. CARS24 offers:

- A 300 point inspection before the vehicle is advertised
- Full disclosure on the website of imperfections
- Delivery direct to customers if they choose
- 7-day return guarantee with easy refunds
- 6-month warranty

As an online used car dealer we appreciate the changes that have been proposed in the Motor Dealers and Repairers Amendment (Statutory Review) Bill 2022 (the Bill) as they clarify and simplify some of the obligations of an online dealer. However, some of the amendments in the Bill need improvements as they are unclear and may be significantly detrimental to the online automotive market and consumers. The Bill lacks clarity on very important details and leaves these to be finalised in the regulations, which have not been provided for comment..

In response to the specific questions set out in the Explanatory Paper that accompanied the Bill we provide the following responses:

**Q1. Do the current amendments adequately recognise new online and emerging business models in the industry?**



Not as the amendments are currently drafted. The current amendments leave it open for regulators to define the types of cars that can be sold online. If online sales are limited to new cars only then it does not recognise emerging business models in the industry. The Explanatory Paper states that end-to-end online sales will only be available for new cars. There are a few issues with this statement. First, there is no definition of end-to-end sales, so it's difficult to pass a comment without better clarification. What would used car dealers have to do that is different from new car dealers? Secondly, the Bill does not limit online sales to new cars only. This would suggest that the regulations would set out that only new cars can be sold online. If this were to occur, we assert this would not be in the public interest or be in line with consumer preferences and trends. Consumer offerings from online businesses (like Cars24) provide enhanced benefits and protection to customers compared to the traditional dealer models.

Section 66E of the Bill is also troublesome. The heading of the section is titled 'Payment of purchase price - maximum deposit' but the section states the maximum amount to be paid before the customer takes possession of the vehicle will be set by regulation. In our view, this amount has to be 100%. Traditional dealers are not required to take anything less than 100% before releasing a vehicle to a customer, online dealers should not be placed in any different position. There will be too much risk to deliver a vehicle to an online customer without first receiving full payment.

The requirements in section 66F to pick up and drop off a vehicle disregards the ability to fix many mechanical problems by a mobile mechanic. The legislation should allow for mobile mechanics. With respect to the timeframes of when cars need to be picked up and re-delivered to customers where there has been a defective vehicle, these timelines need to be reasonable. Depending on the defect complained of and where the customer is located will result in different timelines.

Lastly, if a car can be sold online there should be an exemption from the requirement for customers to inspect vehicles before purchase if the dealer provides a minimum period of time (in our case we give customers 7 days) to return the car. This should replace any inspection required by customers.

**Q2. If you are currently operating a dealership from a fixed location, are you considering in the future to also make available the option for on-line purchasing?**

Cars24 already has a fully online model available.

**Q3. For online purchasing, how should vehicle returns be handled?**

CARS24 offers a 7 Day return guarantee if the customer is not satisfied with the product for any reason. It is our view that if a customer does not inspect the vehicle or does not have the option to inspect the vehicle, then the customer should be allowed to return the vehicle during a specified period of time. The vehicle should be returned the same way possession was taken (if delivered, picked up by the dealer; if collected by the customer then the customer should return it).

If the consumer arranges an inspection and subsequently agrees to accept the car, we question why the vehicle should be subject to any return, excluding matters covered by ACL.



**Q4. Would you support efforts to streamline the record-keeping process through digitalisation (online recording) for prescribed parts and dealer notices? Do these amendments fulfil this objective?**

Yes. We fully support streamlining the record-keeping process. The current rules are unnecessarily onerous.

**Q5. Does the proposed Bill adequately protect manufacturers and dealers?**

CARS24 cannot answer until further clarification of the bill and regulations are offered.

**Q6. Should inspection reports be provided to consumers purchasing a vehicle prior to an auction?**

Yes an inspection report should be provided to consumers purchasing from auction. This will assist in eliminating the scenario where a vehicle is purchased and it is later found that it does not match the description provided by the auction house. Having an inspection report will alleviate many of these problems.

**Q7. Do the updated penalties provide sufficient deterrence to unlawful behaviour and practices?**

The additional penalties appear sufficient to deter unlawful behaviour and practices.

We would be happy to further engage with the Minister for Small Business and Fair Trading on the proposed Bill and provide further input and information. Do not hesitate to contact the undersigned with any further questions.

A handwritten signature in black ink, appearing to read "Jason Macintosh". The signature is fluid and cursive, with a large loop at the end.

Jason Macintosh

Chief Legal Counsel and Corporate Secretary

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