BulletinIndustry Divisions



Date: 08/11/2023

Reference No. New VACC Agreements of sale/MM-11-23

Important information about the new VACC Agreements of Sale for New and Used Motor cars

Members of VACC's Licensed Motor Car Traders (LMCT) divisions were previously advised that the new version VACC Agreements of Sale for New and Used Motor cars would be ready to pre-order from 2 November 2023.

LMCTs who are using the electronic version under licence from VACC can access the new agreements of sale and accompanying disclosure notices immediately. Using the electronic format, you should be ready to trade as usual from 9 November 2023.

Delivery delays of paper-based versions

VACC has been working to ensure delivery of the updated, paper-based contracts of sale to your business by 9 November 2023. For logistical reasons, it may transpire that your business may not receive the paper-based agreements of sale by this date. VACC is working with our suppliers to limit any further delay in the delivery of the paper-based agreements of sale to our members.

We believe the maximum delay will be between three to five (3-5) business days. This may slightly vary, depending on circumstances beyond VACC's control.

What happens if you do not receive the paper-based contracts by 9 November 2023?

VACC's legal representatives have advised that the old version standard form agreements of sale do not meet the new Unfair Contract Terms criteria and should not be used in their entirety from 9 November 2023. **Do not use the old version contracts** in their entirety from 9 November.

However, to allow members to continue to trade confidently over the anticipated 3–5-day delay-period, VACC advise LMCT members reliant on the paper-based agreements of sale to follow the temporary procedure as outlined below:

- 1. Use the old form contracts Part A and Part B (i.e., the front page) as per usual.
- 2. Do not use the old Terms and Conditions (i.e., the rear page) on that version contract but rather run a bold line through those Terms and Condition and clearly label the rear of the agreement as 'null and void.'
- 3. Download a PDF version of the revised Terms and Conditions from the VACC Member Portal and staple/paste them clearly over the old Terms and Conditions of the old version agreement for sale.
- Visit the VACC Member Portal to download a version of the revised <u>new car agreement of sale</u> Terms and Conditions.
- 5. Visit the VACC Member Portal to download a version of the revised <u>used car agreement of sale</u> Terms and Conditions.
- 6. Have the consumer initial and date each one of those pages.
- 7. Note: The above URLs are only live on the <u>members only area of the VACC website</u> and members will have to login to the VACC website before gaining access.
- 8. The above URLS will be deactivated as it becomes apparent that the new paper-based versions have reached VACC members.
- 9. The Terms and Conditions are the Intellectual Property (IP) of VACC and cannot be used or reproduced without VACC's express written consent.
- 10. VACC will take appropriate action in the instance of a breach of our IP under the protections afforded to us under the *Copyright Act* (1968) (Cth).

Disclosure documents for your consideration

VACC members are advised that as part of the current review for Unfair Contract Terms, a disclosure notice has been prepared. The purpose of the disclosure notices is to bring to your customers' attention the substance and effect of the agreement of sale for their purchase of a new or used motor vehicle from your business.

The disclosure form provided is similar to that required by NSW suppliers under section 47A and 47B of the *Fair-Trading Act 1987 No 68* (NSW). In the VACC disclosure notice VACC has called out terms of the agreements of sale that historically cause much unnecessary consumer complaint and confusion. VACC encourages you to have consumers sign this form at the point of signing the agreement of sale.

The inclusion of the disclosure notice in your deal pack is not a legal obligation but a voluntary action by LMCTs. VACC believes the supply of the disclosure notice to a consumer to be industry best practice and may help limit the type of consumer breaches and complaints LMCTs will be subject to.

Other advice

Please feel free to call me, Michael McKenna on 0418 822 939 for any queries about the content of the new version VACC agreements of sale and addendum disclosure notices.

Please email Daniel Ellul at <u>dellul@vacc.com.au</u> for any issues with regards to electronic licensing of the VACC Agreements of Sale.

If a member wants to pre-order the paper-based Agreements of Sale, they can do so by placing that order on-line at www.ourautoistore.com.au.

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