

## LICENSING, REGULATION AND ALCOHOL STRATEGY

### Licences for Second-hand Dealers

**This fact sheet has been developed to inform business and individuals of the responsibilities when operating as a Second-hand Dealer in the Northern Territory, and details of the licensing requirements under the *Consumer Affairs and Fair Trading Act*.**

A person who carries on the business of a “Second-hand Dealer” must hold a licence in the Northern Territory.

Operating as a Second-hand Dealer without a licence, may incur a maximum fine of 500 penalty units. The *Penalty Units Act* prescribes the monetary value of a penalty unit, its indexation and change of value by regulation. As at 1 July 2009, a penalty unit means \$130.

### Definition of a “Second-Hand Dealer” in the Northern Territory

The *Consumer Affairs and Fair Trading Act* defines a Second-hand Dealer as a person conducting the business of -

“buying, selling or exchanging Second-hand goods, whether the goods are bought, sold or exchanged on the person’s own behalf or on behalf of another person”

but does not include -

- i. an Auctioneer within the meaning of the *Auctioneers Act*, a dealer within the meaning of the *Firearms Act*, a Motor Vehicle Dealer within the meaning of Part 10 of the *Consumer Affairs and Fair Trading Act*;
- ii. registered corporation within the meaning of the *Financial Corporations Act 1994* of the Commonwealth, a bank within the meaning of the *Banking Act 1959* of the Commonwealth or a bank constituted under a law of the Commonwealth, State or Territory, a financial institution within the meaning of the Financial Institutions (NT) Code; and
- iii. a person who, in the course of carrying on a business, sells goods within the meaning of the *Disposal of Uncollected Goods Act*; and
- iv. a person who engages in the sale of Second-hand parts for motor vehicles (including tyres, but not including audio equipment, roof racks or other accessories)

### LICENSING, REGULATION AND ALCOHOL STRATEGY

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## **Obtaining a Second-Hand Dealer's Licence**

These are two key requirements to obtaining a licence.

### 1) Character Test

Applicants (including directors of corporations) must be of good character and not have a criminal history containing, for example: dishonesty, fraud or stealing offences. The Commissioner of Consumer Affairs will take into account the reputation of the applicant in deciding whether they are a fit and proper person to be granted a licence. Members of the public have an opportunity to object to the granting of a licence on specific criteria.

### 1) Material & Financial Resources

An applicant must satisfy the Commissioner that they have the necessary material and financial resources to effectively carry out business. This includes the personal or corporate finances of the applicant, any lines of credit and the premises and any equipment that would support the applicant in carrying on the business.

## **Fees and Duration of Licence**

An application fee\* applies, and differs for an individual or corporation. It is to be attached when the application is lodged. Fees are non-refundable and cover the costs of assessment.

Upon the grant of a licence for either an individual or corporation, licensees can nominate the duration of the licence from between one and three years and pay the prescribed fee\*.

In relation to a combined Pawnbroker and / or Second-hand Dealer's licence, an additional application fee\* applies and differs for an individual or corporation. This is once again non-refundable and covers the costs of assessment.

Upon the grant of this combined Pawnbroker and / or Second-hand Dealer's licence for either an individual or corporation, licensees can nominate the duration of the licence from between one and three years and pay the prescribed fee\*.

A Pawnbroker's licence cannot be granted, or renewed, for a period in excess of 3 years (each time) in the Northern Territory.

All fees are GST exempt.

Please note: a licence is not transferable.

Where the licence will relate to more than one business premises, the fee\* will be determined in relation to each additional business premises.

The applicant must lodge an application for renewal of a licence not later than 28 days before the licence is due to expire otherwise a further fee\* will be incurred.

Renewals are due on 1 March of the year specified as its expiry date.

## Undertaking a Criminal History Check

Please note applicants for a criminal history check are required to attend a police station to lodge their criminal history check. The Police will photocopy your identification (drivers licence / 18+ card, birth certificate/extract or passport) and witness the Authority to Release Criminal History. The criminal history check can only be witnessed by an authorised officer. Authorised officers are Northern Territory Police Fire and Emergency Services employees and interstate and overseas Police Officers.

The fee\* for lodging a criminal check is to be paid at the police station. Please supply a copy of a receipt showing payment of your criminal history check fee when lodging your application.

## The Key Steps in Obtaining a Second-Hand Dealer's Licence

- 1) Consider which type of application is required. A Second-hand Dealer's licence can be granted to either an individual, a partnership or a corporation.
- 2) Applicants may apply for a combined Pawnbroker and / or Second-hand Dealer's licence. Refer to Fact Sheet on '[Licence for Pawnbrokers](#)' to ascertain if the current business activities require the applicant to hold such an additional licence.
- 3) Obtain and complete the relevant forms being;
  - an application for licence form; together with
  - the Authority to Release Criminal History form. In relation to a Corporation each director must complete an Authority to Release Criminal History Form.
- 4) A certificate from the Business Names Registrar (NT) that each business name specified in the application has been registered under the *Business Names Act* must accompany your application. In addition, if the applicant intends to carry on business as a body corporate, proof of the body corporate's incorporation must also accompany your application form.
- 5) When lodging the completed application the applicant must provide photographic proof of identity in the form of a current passport or drivers licence for each person covered by an Authority to Release Criminal History form and pay the prescribed fees\*. Please note the Commissioner of Consumer Affairs will only accept applications which have been completed in full.

If the application is being lodged by post, the applicant should ensure the relevant fees\* are enclosed, and include a certified true copy of proof of identity for each person covered by an Authority to Release Criminal History form.

Cheque payments to be made payable to the Receiver of Territory Monies, or electronic payment (Visa and Mastercard) can be made through Territory Business Centres, telephone 8924 4280.

- 6) Applicants must place an advertisement in the Northern Territory News (and another local newspaper if available) notifying the public of the application and inviting objections within a period of 14 days. (Refer to the [Guide to Advertising](#) for further details and a pro-forma advertisement).

If the applicant holds a current individual equivalent licence to a Second-hand Dealer's Licence issued in another State of Australia or the ACT, they will be able to register and have granted to them a Second-hand Dealer's Licence in the Northern Territory under the Mutual Recognition Act.

### **The Key Obligations of a Second-Hand Dealer Once Licensed**

- 1) A Second-hand Dealer must carry on their business fairly at all times and ensure that there will be adequate management, supervision and control of the business operations.
- 2) A licensee must ensure that certain employee records are kept and provided to the Police on request where the employee's function includes entering into contracts. These records must include the full name and current residential address and date of birth of the employee, a photograph certified by the licensee to be a true photograph of the employee together with all records provided by the employee when making an application for employment at the premises.
- 3) A Second-hand Dealer must not enter into a contract until the Second-hand Dealer has ascertained the person's full name and address, verified the person's true identity, ensured the person's age is over 18 years and the person is not affected by alcohol or drugs.
- 4) A Second-hand Dealer must ensure that where a contract is entered into in relation to a compact disc, the title of the disc and the name of the artist are recorded as soon as the information becomes available to the Second-hand Dealer or a person entering into the contract on behalf of the Second-hand Dealer.
- 5) A Second-hand Dealer must ensure that records of transactions are kept which include a contract number, name & address of the vendor, date and time of the contract, description of the goods and details of storage and disposal.
- 6) A Second-hand Dealer must record details in relation to each contract entered into in an electronic form or bound book and use a distinguishing number for the contract.
- 7) Renewals are due on 1 March of the year specified as its expiry date. An application for renewal should be lodged 28 days before the due date, to allow time for assessment.

## **When a Second-Hand Dealer's Licence Is Not Required**

A Second-hand Dealer's Licence is NOT required when dealing in (buying, selling or exchanging) the goods that are listed in the attached sheet entitled 'Goods not to be treated as second-hand goods'.

### **Exempted Goods Not To Be Treated As Second-Hand Goods**

- 1) Boats (but not including outboard motors or other marine equipment).
- 2) Books, magazines and periodicals.
- 3) Ferrous and non-ferrous scrap metals (other than gold or silver).
- 4) Goods collected under a recycling scheme for the purposes of a municipal council, or a community government council, within the meaning of the *Local Government Act*.
- 5) Goods (other than jewellery) purchased for the purpose of manufacturing another article from the goods.
- 6) Clothing, including footwear.
- 7) Furniture, including lamps and light fittings (other than electrical or electronic appliances or movable heaters, where the Second-hand dealer's retail sale price is greater than \$30).
- 8) Household soft furnishings, including rugs, curtains and manchester.
- 9) Household decorative goods, including statues, figurines, paintings, prints and drawings.
- 10) Kitchenware, including pots, pans, crockery and cutlery, (but not domestic, electrical or electronic appliances where the Second-hand Dealer's retail sale price is greater than \$30).
- 11) Motor vehicles.
- 12) Mining machinery and parts.
- 13) Farming machinery and parts (but not accessories such as audio equipment, electronic monitoring equipment or lamps, other than those required under the *Motor Vehicles Act*).
- 14) Rags.
- 15) Bones.
- 16) Glassware, including bottles.
- 17) Cans.
- 18) Waste plastic materials.
- 19) Waste paper materials.
- 20) Salvaged building materials including doors, window frames, tiles, bricks and timber.

- 21) White goods in the nature of large domestic electrical equipment, including refrigerators, freezers, washing machines, clothes dryers, ovens and ironing presses (but not portable or camping refrigerators or microwave or microwave/convection ovens).
- 22) Camping equipment and fishing gear where the Second-hand dealer's retail sale price is or will be less than \$30.
- 23) Collectibles such as stamps, trading cards, dolls, toys and military memorabilia.
- 24) Records and cassette tapes.

Note: This list comprises a schedule to the Act as at July 1998 and may change at some time in the future. Contact Licensing, Regulation and Alcohol Strategy if more up to date information is required.

*\*Please refer to the relevant schedule of fees.*

#### **TERRITORY BUSINESS CENTRES**

TOLL FREE LINE: 1800 193 111 (Australia Wide)

<b>Darwin</b>	<b>Katherine</b>	<b>Tennant Creek</b>	<b>Alice Springs</b>	<b>Postal Address</b>
Development Hse 76 The Esplanade Darwin NT 0800 Phone: (08) 8982 1700	1 Randazzo Bldg 18 Katherine Tce Katherine NT 0850 Phone: (08) 8972 8906	Shop 2, Barkly Hse Cnr Paterson & Davidson Sts Tennant Creek NT 0860 Phone: (08) 8962 4411	Peter Sitzler Bldg 67 Nth Stuart Hwy Alice Springs NT 0870 Phone: (08) 8951 8524	GPO Box 9800 Darwin NT 0801 <a href="mailto:territory.businesscentre@nt.gov.au">territory.businesscentre@nt.gov.au</a>

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