

PREScribed CONDITIONS OF SALE BY AUCTION

Property, Stock & Business Agents Act (NSW) 2002, Part 6, s.77 and Regulation 2003 & 2007.

Clause 18 (1) - The following conditions are prescribed as applicable to and in respect of the sale by auction of land or livestock:

- (a) The vendor's reserve price must be given in writing to the auctioneer before the auction commences.
- (b) A bid for the seller cannot be made unless the auctioneer has, before the commencement of the auction, announced clearly and precisely the number of bids that may be made by or on behalf of the seller.
- (c) The highest bidder is the purchaser, subject to any reserve price.
- (d) In the event of a disputed bid, the auctioneer is the sole arbitrator and the auctioneer's decision is final.
- (e) The auctioneer may refuse to accept any bid that, in the auctioneer's opinion, is not in the best interests of the seller.
- (f) A bidder is taken to be a principal unless, before bidding, the bidder has given to the auctioneer a copy of a written authority to bid for or on behalf of another person.
- (g) A bid cannot be made or accepted after the fall of the hammer.
- (h) As soon as practicable after the fall of the hammer, the purchaser is to sign the agreement (if any) for sale.

Clause 18 (2) - The following conditions, in addition to those prescribed by subclause 1 are prescribed as the above, applicable to and in respect of the sale by auction of residential property or rural land:

- (a) All bidders must be registered in the Bidders Record and display an identifying number when making a bid.
- (b) Subject to subclause (2A) the auctioneer may make only one vendor bid at an auction for the sale of residential property or rural land and no other vendor bid may be made by the auctioneer or any other person.
- (c) Immediately before making a vendor bid the auctioneer must announce that the bid is made on behalf of the seller or announce, "vendor bid".

Clause 18 (2A) - The following conditions, in addition to those prescribed by subclauses (1) and (2), are prescribed as applicable to and in respect of the sale by auction of co-owned residential property or rural land or the sale of such land by a seller as executor or administrator:

- (a) More than one vendor bid may be made to purchase the interest of a co-owner.
- (b) A bid by or on behalf of an executor or administrator may be made to purchase in that capacity.
- (c) Before the commencement of the auction, the auctioneer must announce that bids to purchase the interest of another co-owner or to purchase as executor or administrator may be made by or on behalf of the seller.
- (d) Before the commencement of the auction, the auctioneer must announce the bidder registration number of any co-owner, executor or administrator or any person registered to bid on behalf of any co-owner, executor or administrator

PRESCRIBED WARNING NOTICES

Section 78 (3), Property, Stock & Business Agents Act 2002 (NSW) , and clause 20 (1), Property, Stock and Business Agents Regulation 2003 (NSW):

- *Penalty for collusive practices*

It is an offence against the *Property, Stock and Business Agents Act 2002 (NSW)* for a person to do any of the following as a result of a collusive practice, or to induce or attempt to induce another person by a collusive practice to do any of the following:

- (a) To abstain from bidding,
- (b) To bid to a limited extent only, or
- (c) To do any other act or thing that might prevent free and open competition.

Severe penalties may be imposed on persons convicted of collusive practices.

Section 83 (2) Property, Stock & Business Agents Act 2002 (NSW), and clause 20 (2), Property, Stock and Business Agents Regulation 2003 (NSW):

- *Successful bidders*

The actual successful bidder at an auction sale must give to the auctioneer or an employee of the auctioneer:

- (a) The bidder's name, or
- (b) The name of the person on whose behalf the successful bid was made.

Section 66 (4) Property Stock and Business Agents Act 2002 (NSW) & clause 20 (2A) Property Stock and Business Agents Regulations 2003 (NSW)

- *Penalty for dummy bidding*

It is an offence against the *Property, Stock and Business Agents Act 2002 (NSW)* for a person to do any of the following:

- (a) make a bid as the seller,
- (b) make a bid on behalf of the seller (unless the person is the auctioneer), or
- (c) procure another person to make a bid on behalf of the seller.

Any Bid made with the dominant purpose of benefiting the seller constitutes a bid made on behalf of the seller. A bid may be found to be a bid made on behalf of the seller even though the seller did not:

- (a) request the bid, or
- (b) have any knowledge of the bid.

Severe penalties may be imposed on persons convicted of dummy bidding.