



New South Wales

# Property, Stock and Business Agents Amendment (Auctions) Regulation 2007

under the

Property, Stock and Business Agents Act 2002

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Property, Stock and Business Agents Act 2002*.

DIANE BEAMER, M.P.,  
Minister for Fair Trading

## Explanatory note

The object of this Regulation is to amend the *Property, Stock and Business Agents Regulation 2003* as a consequence of amendments made to the *Property, Stock and Business Agents Act 2002* by the *Property, Stock and Business Agents Amendment Act 2006*. The amendments to the Regulation aim to:

- (a) further regulate the bidding process at auctions for the sale of residential property or rural land by limiting the number of bids that may be made on behalf of the seller and prescribing the manner in which such bids must be made, and
- (b) ensure transparency in the bidding process by requiring that the auctioneer announce any bid made on behalf of the seller, and
- (c) prescribe the manner in which co-owners, executors and administrators may make multiple bids as sellers at an auction to purchase the interest of another co-owner.

This Regulation is made under the *Property, Stock and Business Agents Act 2002*, including sections 66 (4), 68, 77 and 230 (the general regulation-making power).

**2007 No 8**

Clause 1

Property, Stock and Business Agents Amendment (Auctions) Regulation  
2007

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**Property, Stock and Business Agents Amendment  
(Auctions) Regulation 2007**

under the

Property, Stock and Business Agents Act 2002

**1 Name of Regulation**

This Regulation is the *Property, Stock and Business Agents Amendment (Auctions) Regulation 2007*.

**2 Commencement**

This Regulation commences on 1 March 2007.

**3 Amendment of Property, Stock and Business Agents Regulation 2003**

The *Property, Stock and Business Agents Regulation 2003* is amended as set out in Schedule 1.

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## Schedule 1 Amendments

(Clause 3)

**[1] Clause 14**

Omit the clause. Insert instead:

**14 Definitions**

In this Part:

*property* means residential property or rural land.

**Note.** The terms *residential property* and *rural land* are defined in section 3 of the Act.

*vendor bid* means a bid made by or on behalf of the seller.

**[2] Clause 15 Making the Bidders Record**

Insert “, and the vendor bid (if any),” after “highest bid accepted” in clause 15 (1) (h).

**[3] Clause 18 Conditions of sale by auction**

Omit clause 18 (2) (b) and (c). Insert instead:

- (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”.

**[4] Clause 18 (2A)**

Insert after clause 18 (2):

- (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.

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Schedule 1 Amendments

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- (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.

### [5] **Clause 20 Warnings about bidders' obligations**

Insert after clause 20 (2):

- (2A) The notice required to be given by section 66 (4) of the Act is to be in the following form:

#### **Penalty for dummy bidding**

It is an offence against the *Property, Stock and Business Agents Act 2002* 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),
- (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.

BY AUTHORITY

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