



GENERAL RULES FOR THE CONDUCT OF PUBLIC AUCTIONS OF LAND

Regulations 5 (1), 6 (1)(a), (2) and (6), and 7 (2) and (3)
Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

1. No bids may be made on behalf of the vendor of the land. *

OR

The auctioneer may make one or more bids on behalf of the vendor at any time during the auction. *

**** One of the items above must be deleted.***

2. The auctioneer may refuse any bid.
3. The auctioneer may determine the amount by which the bidding is to be advanced.
4. The auctioneer may withdraw the property from sale at any time.
5. The auctioneer may refer a bid to the vendor at any time before the conclusion of the auction.
6. In the event of a dispute concerning a bid, the auctioneer may re-submit the property for sale at the last undisputed bid, or start the bidding again.
7. The auctioneer must not accept any bid or offer for a property that is made after the property has been knocked down to the successful bidder, unless the vendor or successful bidder at the auction, refuses to sign the contract of sale following the auction.
8. If a reserve price has been set for the property and the property is passed in below that reserve price, the vendor will first negotiate with the highest bidder for the purchase of the property.

RULES FOR THE CONDUCT OF PUBLIC AUCTIONS OF LAND

SCHEDULE 2 - ONE VENDOR INTENDS TO BID TO PURCHASE

Regulations 5 (2), 6 (3)(a) and (6), and 7 (4) Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

1. The property at this auction is co-owned by 2 vendors.

One of the vendors intends to bid to purchase the property at this auction from their co-owner. That vendor may make bids personally, or through a representative, but not through the auctioneer.

Only the auctioneer can make a bid for the other vendor.

2. The auctioneer may refuse any bid.
3. The auctioneer may determine the amount by which the bidding is to be advanced.
4. The auctioneer may withdraw the property from sale at any time.
5. The auctioneer may refer a bid to the vendor at any time before the conclusion of the auction.
6. In the event of a dispute concerning a bid, the auctioneer may re-submit the property for sale at the last undisputed bid, or start the bidding again.
7. The auctioneer must not accept any bid or offer for a property that is made after the property has been knocked down to the successful bidder, unless the vendor or successful bidder at the auction, refuses to sign the contract of sale following the auction.
8. If a reserve price has been set for the property and the property is passed in below that reserve price, the vendor will first negotiate with the highest bidder for the purchase of the property.

RULES FOR THE CONDUCT OF PUBLIC AUCTIONS OF LAND

SCHEDULE 3 - SOME VENDORS INTEND TO BID TO PURCHASE

Regulations 5 (3), 6 (4)(a) and (6), and 7 (5) Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

1. The property at this auction is co-owned by more than 2 vendors.

One or more (but not all) of the vendors intend to bid to purchase the property at this auction. They may make bids themselves, or through a representative, but not through the auctioneer.

Only the auctioneer can make a bid for a vendor not bidding to purchase the property.

2. The auctioneer may refuse any bid.
3. The auctioneer may determine the amount by which the bidding is to be advanced.
4. The auctioneer may withdraw the property from sale at any time.
5. The auctioneer may refer a bid to the vendor at any time before the conclusion of the auction.
6. In the event of a dispute concerning a bid, the auctioneer may re-submit the property for sale at the last undisputed bid, or start the bidding again.
7. The auctioneer must not accept any bid or offer for a property that is made after the property has been knocked down to the successful bidder, unless the vendor or successful bidder at the auction, refuses to sign the contract of sale following the auction.
8. If a reserve price has been set for the property and the property is passed in below that reserve price, the vendor will first negotiate with the highest bidder for the purchase of the property.

RULES FOR THE CONDUCT OF PUBLIC AUCTIONS OF LAND

SCHEDULE 4 - ALL VENDORS INTEND TO BID TO PURCHASE

Regulations 5 (4), 6 (5)(a) and (6), and 7 (6) Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

1. The property at this auction is co-owned by 2 or more vendors.

Each of the vendors intends to bid to purchase the property at this auction. They may make bids themselves, or through a representative, but not through the auctioneer.

The auctioneer cannot make a bid at this auction.

2. The auctioneer may refuse any bid.
3. The auctioneer may determine the amount by which the bidding is to be advanced.
4. The auctioneer may withdraw the property from sale at any time.
5. The auctioneer may refer a bid to the vendor at any time before the conclusion of the auction.
6. In the event of a dispute concerning a bid, the auctioneer may re-submit the property for sale at the last undisputed bid, or start the bidding again.
7. The auctioneer must not accept any bid or offer for a property that is made after the property has been knocked down to the successful bidder, unless the vendor or successful bidder at the auction, refuses to sign the contract of sale following the auction.
8. If a reserve price has been set for the property and the property is passed in below that reserve price, the vendor will first negotiate with the highest bidder for the purchase of the property.

INFORMATION CONCERNING THE CONDUCT OF PUBLIC AUCTIONS OF LAND

Regulation 6 (1)(b), (3)(b), (4)(b), and (5)(b) Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

Meaning of Vendor

The vendor is the person who is selling the property that is being auctioned. There may be more than one vendor. Where there are 2 or more vendors, they are selling the property as co-owners.

Bidding by Co-Owners

Where there are 2 or more vendors of the property, one or some or all of them may bid to purchase the property from their co-owners. The vendor or vendors intending to bid to purchase the property can make these bids themselves, or through a representative, but not through the auctioneer.

Vendor Bids

The law of Victoria allows vendors to choose to have bids made for them by the auctioneer. If this is the case, it will be stated as the first rule applying to the auction. However, these bids cannot be made for a co-owner intending to bid to purchase the property from their co-owner or co-owners.

The auctioneer can only make a vendor bid if —

- the auctioneer declares before bidding starts that the auctioneer can make bids on behalf of a vendor, and states how these bids will be made; and
- the auctioneer states when making the bid that it is a bid for the vendors. The usual way for an auctioneer to indicate that the auctioneer is making a vendor bid is to say “vendor bid” in making the bid.

What rules and conditions apply to the auction?

Different rules apply to an auction depending upon whether there are any co-owners intending to bid to purchase the property from their co-owners, and whether vendor bids can be made. The auctioneer must display the rules that apply at the auction.

It is possible that a vendor may choose to have additional conditions apply at the auction. This is only allowed if those additional conditions do not conflict with the rules that apply to the auction or any other legal requirement. The additional conditions are usually contained in the contract of sale.

Copies of the rules

The law requires that a copy of the rules and conditions that are to apply to a public auction of land be made available for public inspection a reasonable time before the auction starts and in any case not less than 30 minutes before the auction starts.

Questions

A person at a public auction of land may ask the auctioneer in good faith a reasonable number of questions about the property being sold, the contract of sale, the rules under which the auction is being conducted and the conduct of the auction.

INFORMATION CONCERNING THE CONDUCT OF PUBLIC AUCTIONS OF LAND

Regulation 6 (1)(b), (3)(b), (4)(b), and (5)(b) Sale of Land (Public Auctions) Regulations - S.R. No. 48/2024

Forbidden activities at auctions

The law forbids any of the following –

- Any person bidding for a vendor other than the auctioneer (who can only make bids for a vendor who does not intend to purchase the property from their co-owner or co-owners);

OR

Any person bidding for a vendor other than a representative of a vendor who is a co-owner of the property wishing to purchase the property from their co-owner or co-owners;

- The auctioneer taking any bid that the auctioneer knows was made on behalf of the vendor, unless it is made by a vendor (or their representative) who is a co-owner wishing to purchase the property;
- The auctioneer acknowledging a bid if no bid was made;
- Any person asking another person to bid on behalf of the vendor, other than a vendor who is a co-owner engaging a representative to bid for them;
- Any person falsely claiming or falsely acknowledging that they made a bid;
- An intending bidder (or a person acting on behalf of an intending bidder) harassing or interfering with other bidders at a public auction of land.

Substantial penalties apply to any person who does any of the things in this list.

Who made the bid?

At any time during a public auction of land, a person at the auction may ask the auctioneer to indicate who made a bid. Once such a request has been made, the auctioneer is obliged by law to comply with such a request before taking another bid.

It is an offence to disrupt an auction

The law forbids an intending bidder or a person acting on behalf of an intending bidder from doing any thing with the intention of preventing or causing a major disruption to, or causing the cancellation of, a public auction of land.

The cooling-off period does not apply to public auctions of land

If you purchase a property that has been offered for sale by public auction either at the auction or within 3 clear business days before or after the auction, there is no cooling-off period.

What law applies?

The information in this document is only intended as a brief summary of the law that applies to public auctions of land in Victoria. Most of the laws referred to in this document can be found in the Sale of Land Act 1962 or the Sale of Land (Public Auctions) Regulations 2024. Copies of those laws can be found at the following website: www.legislation.vic.gov.au.