The Authority of an Auctioneer

A question that has been floating around amongst our trainers of late is one that concerns the authority of an auctioneer.

The question is this:

What authority does the auctioneer have to sign the sale contract on behalf of both the purchaser and the vendor and where does that authority come from?

Further from that:

Who can sign a contract for the sale and purchase of land on behalf of the purchaser at an auction?

The Auctioneer has complete authority to sign the Contract for the Sale and Purchase of Land on behalf of both the vendor and the purchaser. This authority comes from common law (case law) rather than through legislation and is sighted in the case Phillips v Butler, a 1945 English case, where a successful bidder declined to sign a contract for the sale of land at the conclusion of an auction. The judge ruled there was an irrevocable authority to sign the contract, due to evidence proving that both parties had finalised a contract and specific performance of the contract in this case was required.

Phillips v Butler (1945) Ch 358:
“the auctioneer’s authority to sign on the purchaser’s and, if necessary, the vendor’s behalf, arises as soon as the contract is concluded, and is an irrevocable authority.”

Considering that the Auctioneer has authority to sign on behalf of both parties without a power of attorney or any other document expressly authorising them to do so, except for the case law that has been established, the next question is:

Who else can sign the contract if they are not the purchaser, but signing on the purchaser’s behalf?

To bid for another person at auction, the Property, Stock and Business Agents Act 2002 requires that you must possess a written authority to do so. For the Buyers Agents out there, that written authority will generally be your agency agreement. However, this is not required for any person attending on someone else’s behalf on auction day.
Against common misconception, a power of attorney is not required. All that is required is a written authority, which essentially could be (and is in no way advisable) on a napkin or post-it note.

Once that authorised person becomes the successful bidder they are able to sign the contract on behalf of the other person, again without a power of attorney.

As an agent, you need to make sure that you have the necessary identification of the person bidding on behalf of the purchaser, and also the identification documents for the person/s who would be the actual purchaser.

A power of attorney is not required until the property is in its conveyancing process and the transfer document is being signed.

If it is not the purchaser themselves signing the transfer, but their authorised person, then a registered power of attorney will be required at this point.

‘Til next time,
Wishing you every success in your business ventures,
Rosy Sullivan
CERTIFICATE OF 
REGISTRATION 
COURSES

Mudgee 
(Dist Ed + 1 day workshop) 
Thu 9th Jun
Sydney 
Tue 14th – Thu 16th Jun
Sydney 
(Dist Ed + 2 day workshop) 
Sat 18th – Sun 19th Jun
Newcastle 
(Dist Ed + 1 day workshop) 
Thu 23rd Jun
Bowral 
(Dist Ed + 1 day workshop) 
Tue 5th Jul
Parramatta 
Mon 4th – Wed 6th Jul
Bowral 
(Dist Ed + 1 day workshop) 
Tue 5th Jul
Castle Hill 
Mon 1st –Wed 3rd Aug

FINANCE AND 
MORTGAGE 
BROKING 
COURSES

Cert IV in Finance & 
Mortgage Broking 
Sydney 
Mon 27th - Wed 29th Jun
Dip of Finance & Mort 
Broking Mgmt 
Upgrade for existing Cert IV holders 
Sydney 
Thu 30th Jun - Fri 1st Jul

Many of our students have been taking the opportunity to gain their Real Estate and Strata Management Licences through the Government Funded “Smart and Skilled” program. Our traineeship co-ordinator, Megan Sullivan, has been taking on the massive job of organising our students into the program and processing applications to ensure they get the most out of their learning. With the surge of enrolments and attendance in our courses, Megan has been passing on her expertise to our Licensing Co-ordinator Ben Phoebus to expand our Traineeship team. If you are interested in seeing what qualifications we have on offer through the Smart and Skilled program and seeing if you are eligible - be sure to contact the College and ask to speak to Megan or Ben.

This week we saw the return of Kristin to the office after her trip away to New Zealand, taking a road trip across the North Island. Our resident celebratory expert, Rachelle, decided to welcome Kristin back from her travels by decorating her desk with everything Australian, including a stuffed koala and joey. Kristin loved the gesture and was very happy to be back in the office working with the team here.

Those of you who have read “From the Office” in the past may be under the impression that we enjoy the occasional cake to celebrate birthdays, achievements, staff leaving on travels, staff returning from travels and everything in between. We came to the collective decision at the office that a change of pace was required. So, when we discovered last Wednesday that it was National Doughnut Day, the choice was clear. The ACOP team indulged in a variety of delicious doughnuts to mark the day. As fantastic as they were, however, old habits die hard and I’m sure that our favourite cakes will be back in the office soon enough.

www.acop.edu.au
enquiries@acop.edu.au
Do you want a Real Estate or Strata Management Licence?

✔️ Are you 15 years old or over?
✔️ Are you no longer at school?
✔️ Are you living or working in NSW?
✔️ Are you an Australian citizen, Australian permanent resident, Australian permanent humanitarian visa holder or New Zealand citizen?

If you answered YES to the above questions, you will be eligible for **government funding**.

**Free Assessment**
Send us your resume & copies of any qualification transcripts you may have for a free and confidential preliminary RPL assessment.

**Complete the**

**Eligibility Survey**